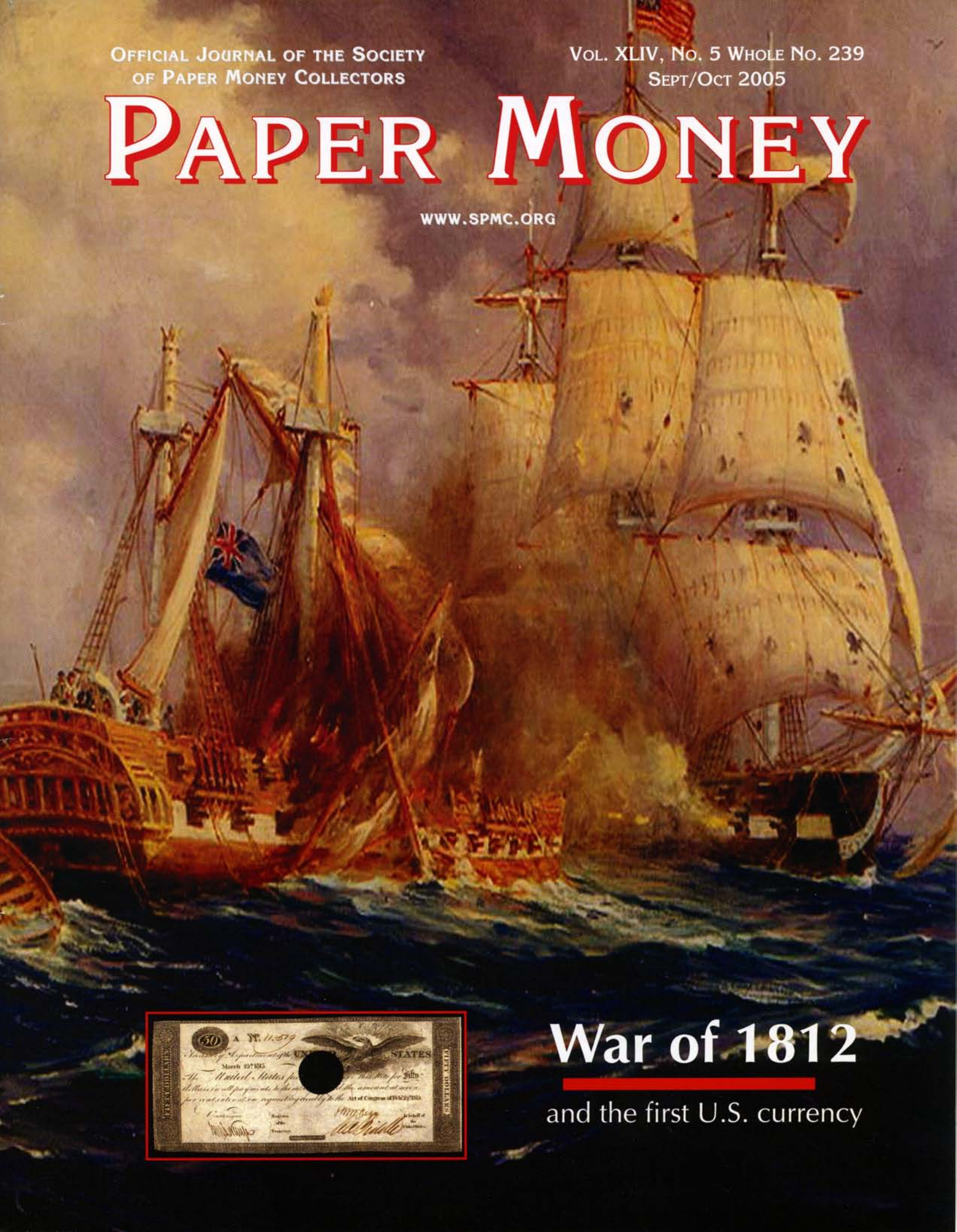


OFFICIAL JOURNAL OF THE SOCIETY
OF PAPER MONEY COLLECTORS

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SEPT/OCT 2005

PAPER MONEY

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and the first U.S. currency

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FRED L. REED III, Editor, P.O. Box 793941, Dallas, TX 75379

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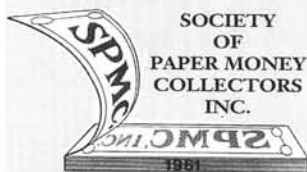
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Society of Paper Money Collectors



The Society of Paper Money Collectors (SPMC) was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated

with the American Numismatic Association. The annual SPMC meeting is held in June at the Memphis IPMS (International Paper Money Show). Up-to-date information about the SPMC and its activities can be found on its Internet web site www.spmc.org.

MEMBERSHIP—REGULAR and LIFE. Applicants must be at least 18 years of age and of good moral character. Members of the ANA or other recognized numismatic societies are eligible for membership; other applicants should be sponsored by an SPMC member or provide suitable references.

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Members who join the Society prior to October 1 receive the magazines already issued in the year in which they join as available. Members who join after October 1 will have their dues paid through December of the following year; they also receive, as a bonus, a copy of the magazine issued in November of the year in which they joined. Dues renewals appear in the Sept/Oct *Paper Money*. Checks should be sent to the Society Secretary. ❖

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APPOINTEES:

PUBLISHER-EDITOR Fred L. Reed III, P.O. Box 793941, Dallas, TX 75379-3941

CONTRIBUTING EDITOR Gene Hessler, P.O. Box 31144, Cincinnati, OH 45231

ADVERTISING MANAGER Wendell A. Wolka, P.O. Box 1211, Greenwood, IN 46142

LEGAL COUNSEL Robert J. Galiette, 3 Teal Ln., Essex, CT 06426

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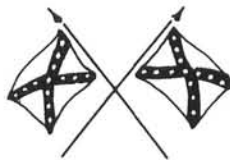
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The Treasury Notes of the War of 1812

*The First Circulating Currency of the United States**

By Donald H. Kagin, PhD/Numismatics©

It may come as a surprise to some that the first paper money circulated in the United States after the Constitution was issued in 1815, preceded the Demand Notes of 1861 by 46 years. Occasioned by the War of 1812 and the expiration of the charter of the First Bank of the United States, a total of five Treasury note issues were authorized; the last including small circulating notes of less than \$100 denominations. Perhaps because of their relative numismatic scarcity and the paucity of information concerning them, there has been little discussion of these precedent-setting remnants of the fiscal past of the United States. The circumstances surrounding these first Treasury note issues are discussed here; appendix tables provide systematic quantitative detail.

Introduction

Between 1812 and 1815, the United States authorized five Treasury note issues. In total, over \$36 million in denominations from \$3 to \$1000 were emitted. The last issue included non-interest bearing "small" circulating notes in denominations of \$3 to \$50. Because of the shortage of adequate circulating medium and revenue to conduct the War of 1812, these notes proved to be extremely useful as they were transferable by delivery and receivable for duties, taxes, and public use at par plus accrued interest. They also served as interest-bearing reserves for banks since they were convertible into any kind of money and bore interest simultaneously.

The success of the Treasury notes was demonstrated by the fact that they were fully subscribed and accepted by the banks and merchants. In addition, the small Treasury note issues of 1815 indirectly served to increase the circulating medium of the country. They were used to buy goods and services by individuals, pay custom duties by merchants, and acted as cash reserves for banks, preventing bank notes from being discounted. They thus became the first circulating paper currency issued by the United States after ratification of the Constitution.

PRE-1812 FINANCE

From the adoption of the Constitution, until the War of 1812, the U.S. Government had financed its deficits by borrowing. Until 1792, major loans were procured primarily from Holland or in funding operations, while temporary or small 'bridge' loans were obtained from consortiums of prominent capitalists or from the four existing private banks, such as the Bank of North America or the Bank of New York.

Our first Secretary of Treasury, financial genius, Alexander Hamilton, proposed the establishment of a national bank to supersede local and state banks. This was necessary, he argued, to collect taxes and administer public finance, sustain government credit, and provide a source of loans to the Treasury. There was considerable Congressional debate with opponents of the bank, led by Secretary of State Thomas Jefferson who warned of potential abuse; that it was not provided for in the Constitution; would destroy free institutions; and benefit only a few. Nevertheless

On the Cover

This painting is a depiction of the naval battle between *USS Constitution* and the *HMS Guerriere* August 19, 1812, during the War of 1812. This was the battle that earned the *Constitution* her beloved nickname "Old Ironsides."

The painting is by Anton Otto Fischer, depicting *Guerriere's* masts going over the side as *Constitution* rakes her from ahead (U.S. Naval Historical Center Photograph).

Just three weeks after escaping from the British squadron off of New Jersey, *Constitution* was once again at sea patrolling. On the 19th of August, *Constitution* again came into contact with *HMS Guerriere*, the same British frigate that had begun to chase the *Constitution* a month earlier. This time, however, the English frigate was alone, and both ships closed in battle.

Captain Isaac Hull's official account of *Constitution's* victory over the 38-gun *Guerriere* was a rare bright spot for the U.S. military in the war's opening months.

Recognized by Guinness World Records as the World's Oldest Commissioned Warship afloat, she escaped destruction in 1830 largely due to the popularity of the poem "Old Ironsides" by Oliver Wendell Holmes. His verse begins: "Ay, tear her tattered ensign down! Long has it waved on high, And many an eye has danced to see That banner in the sky;"

**This article is dedicated to Dr. Douglas B. Ball, my professor when first researching this subject for my doctorate program - Don Kagin*

the Hamiltonian Federalists won the day and the bill establishing the First Bank of the United States was enacted on February 2, 1791 and gave the bank a charter for 20 years. Once the First Bank of the United States was established, that institution superseded all others in becoming the primary lender of short-term funds to the government (although a few small loans at high rates were sold directly to the public during this period).

Almost all revenues, for whatever purpose, came largely from customs. Between 1801 and 1806 this income amounted from \$11 to \$13 million annually, with a small supplemental income from the sale of lands, exiguous revenue with which to fight a world power like Britain.¹

Until the financial emergencies occasioned by the War of 1812, the government was firmly committed to a hard money policy. Article 1, sec. 8, clause 5 of the Constitution gave Congress the power "To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures."² While the question of paper money was vigorously debated in 1787 by members of the Constitutional Convention, both a proposal for the inclusion of a provision

authorizing its issue by the national government, and one prohibiting issue were defeated. The political thinking of the time, succinctly expressed by Virginia's U.S. Representative James Madison, was that authorizing the use of paper money might lead to mass abuse and proliferation, reminiscent of the vastly depreciated Continental Currency. The original impetus for issuance and use of Continental Currency was to circumvent British laws forbidding the minting of coins by the Colonies. Outright prohibition of paper currency however, would tie the government's hands in case of a temporary emergency. The Constitution therefore, resolved the dilemma by specifying nothing. It did proscribe however, the issue of "bills of credit" by the states and by implication, the same issue by the federal government.

GALLATIN'S RESTRICTIVE POLICY

During the Republican administrations of Thomas Jefferson and James Madison, the architect of the government's fiscal system was Albert Gallatin. Prior to 1808, Gallatin declined to augment treasury receipts except by temporary loans, even though a year later he belatedly conceded the possible need for internal taxes.³ It was not until early 1812 that Gallatin's optimism waned and he intimated that the extraordinary impending expenses of the military and naval services would require funds considerably in excess of current revenue.⁴

With duty revenue down from \$13.3 million in 1811, to \$9 million in 1812 (mainly a result of the Embargo of 1807-1809), and with a corresponding increase to \$22 million in expenditures, Gallatin suggested a 100 percent increase in

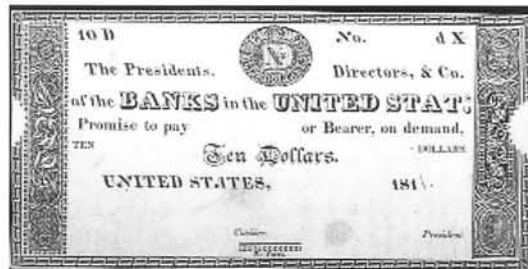
the tariff. In his report, Gallatin justified the proposal on the grounds that "this mode (increased duties) appears preferable. . . to any internal tax."⁵ The result of this policy was the absence of any system by which internal revenues could be collected. This was an error in policy which Gallatin conceded in 1831 when he admitted that he should have recommended such taxes in 1812.⁶ Acting upon the Treasury Secretary's recommendation, Congress soon doubled the tariff duties.

END OF THE FIRST BANK OF THE UNITED STATES

Meanwhile opponents of the First Bank of the United States had gathered more Congressional allies during its first 20 years. When its charter came up for renewal



Albert Gallatin was appointed Secretary of the Treasury by President Thomas Jefferson in 1801; reappointed by President James Madison, and served from 1801 to 1814.



\$10 specie from the Bank of the United States

in 1811, opponents had the necessary votes to defeat it. Additionally, since the mostly British shareholders of the Bank were paid off in specie, there was little precious metal coinage in America. Unfortunately, the Bank's demise could not have come at a worse time, as the renewed hostilities with Great Britain had hit a climax.

Britain was already involved in a war with France and during this time their seamen routinely boarded American merchant ships ostensibly looking for deserters or military supplies. They then would impress American sailors into service to serve in the British navy. Negotiations with Britain to halt this abuse were futile and on June 18, 1812, President John Madison signed Congress' declaration of war against Great Britain. In anticipation of the war and due to the necessity of using specie or precious metal currency to pay for imports, coinage was hoarded and local bank notes were substantially discounted.

CONGRESSIONAL WAR LOAN POLICY

In February, 1812 – four months before war was declared – the House Ways and Means Committee realizing that merely doubling the tariff would not yield enough revenue, and without the facility of a national bank, proposed a loan of \$11 million which was enacted by a large majority in both houses of Congress on March 14, 1812.⁷

There is some disagreement as to the success of this loan. While only \$600,000 was subscribed to by the public in the first two months, by the end of the year \$8.1 million had been purchased mainly by the larger banks. The lack of enthusiasm for funded loans arose from New England's manifest lack of sympathy for the war, coupled with the failure of Congress to provide adequate means to pay interest. Thus, Gallatin was practically forced to issue Treasury notes.⁸

FIRST TREASURY NOTES

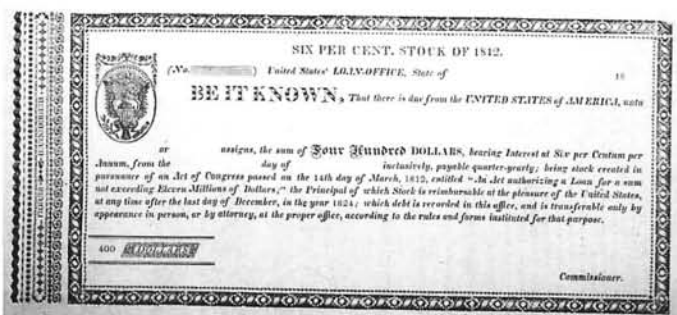
Unable to sell long-term debt advantageously and lacking the First Bank of the United States to provide bridge financing, Gallatin recommended the use of Treasury notes. This was not altogether a new suggestion since Gallatin had mentioned that particular mode of public financing as early as February, 1810. Then, in response to an inquiry from the House Ways and Means Committee ("Can any other resources besides taxes and loans be relied on for immediate revenue?"), Gallatin answered:

Treasury notes bearing interest, and payable to order one year after day, may be annually issued, to a moderate amount, and be put in circulation, both through the medium of banks and in payment of supplies.⁹

The Treasury Secretary further cautioned against possible abuses, but maintained that if kept within strict bounds, the notes would facilitate both the collection of revenue and the loans themselves.

In a letter to the House Ways and Means Chairman, Representative Ezekiel Bacon of Massachusetts dated January, 1812, Gallatin repeated his willingness to rely on some use of Treasury notes:

Treasury notes, bearing interest, might to a certain extent be issued, and to that extent diminish the amount to be directly borrowed. The advantage they would have would result from their becoming a part of the circulating medium, and



Six Per Cent, Stock of 1812.
(Hessler X-67A)



(Above) TN-1 \$1,000 Unsigned remainder. Spread Eagle facing right at upper left. Shield and cannon at center.

(Below) TN-2 \$100 Unsigned remainder. Eagle on branch at upper right. Shield and cannon at lower center (Hessler X-69).



WAR OF 1812 AT A GLANCE

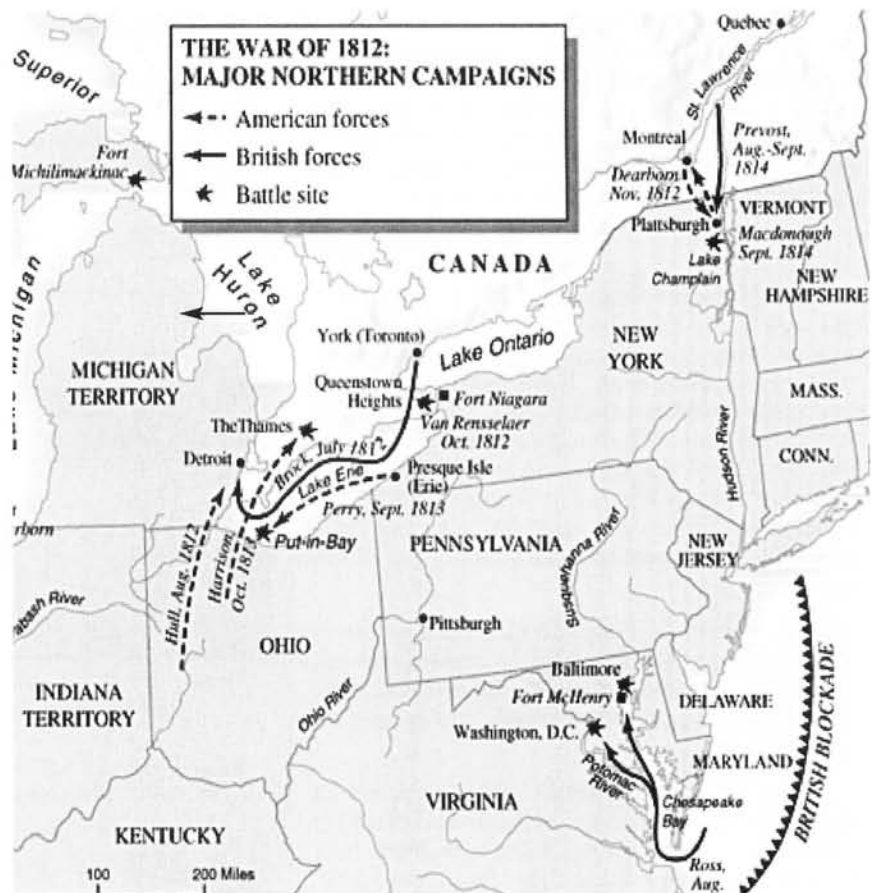
WAR OF 1812 TIMELINE

1812	
June 18	America declares war against the British. This war is known as "Mr. Madison's War" or "Second American Revolution."
August 16	U.S. loses Ft. Mackinac as British invade U.S. territory.
1812	U.S. makes three attempts to invade Canada. All fail.
1812	<i>USS Constitution</i> (Old Ironsides) bests <i>HMS Guerriere</i> . (See magazine cover art)
1813	
January	Battle of Frenchtown. British & Indian allies repel Kentucky troops. American survivors slain at Raisin River Massacre.
April	Battle of York (Toronto). U.S. takes control of Great Lakes and burn York.
September	Battle of Lake Erie. U.S. under Captain Perry defeat a British naval attack.
October	Battle of Thames (Ontario, Canada). Tecumseh killed in a U.S. victory.
1814	
March 27	Battle of Horseshoe Bend (Miss. Terr.). Andrew Jackson defeats Creek Indians.
1814	The British plan 3-part invasion: Chesapeake Bay, Lake Champlain, & the mouth of Mississippi River. British turned back at Baltimore.
Aug. 24-25	British burn Washington, D.C. Madison flees White House.
September	Battle of Plattsburgh (Lake Champlain). U.S. secures its northern border with victory over a larger British force.
Dec. 15	Hartford Convention occurs. Federalists discuss secession & propose 7 amendments to protect influence of NE states.
Dec. 24	Treaty of Ghent. British and American diplomats agree to return to pre-war status quo.
1815	
January	Battle of New Orleans. Andy Jackson scores major victory 700 British killed, 1400 wounded. U.S. only loses 8 soldiers.

THE WAR OF 1812 IS ONE OF THE FORGOTTEN CONFLICTS OF UNITED STATES history. Although it lasted more than two years, and ended in something of a stalemate, historians point out its prime significance as being "a war that once and for all confirmed American Independence."

The United States failed to capture Canada. The British were successfully stopped when they attempted to capture Baltimore and New Orleans, but they invaded and burned significant parts of Washington, D.C. before withdrawing. American naval vessels proved themselves superior to British vessels.

The war resulted from long simmering disputes with Great Britain, the central issue being impressment of approximately 10,000 Americans by the British during the decade before the war. At the President's request, Congress declared War on Great Britain June 18, 1812. The British had previously attacked the *USS Chesapeake* and nearly caused a war two years earlier. In addition, disputes continued with Great Britain over the Northwest Territories and the border with Canada. Also attempts by Great Britain to blockade France during the Napoleonic Wars caused conflict with the United States. ❖



Oliver Perry

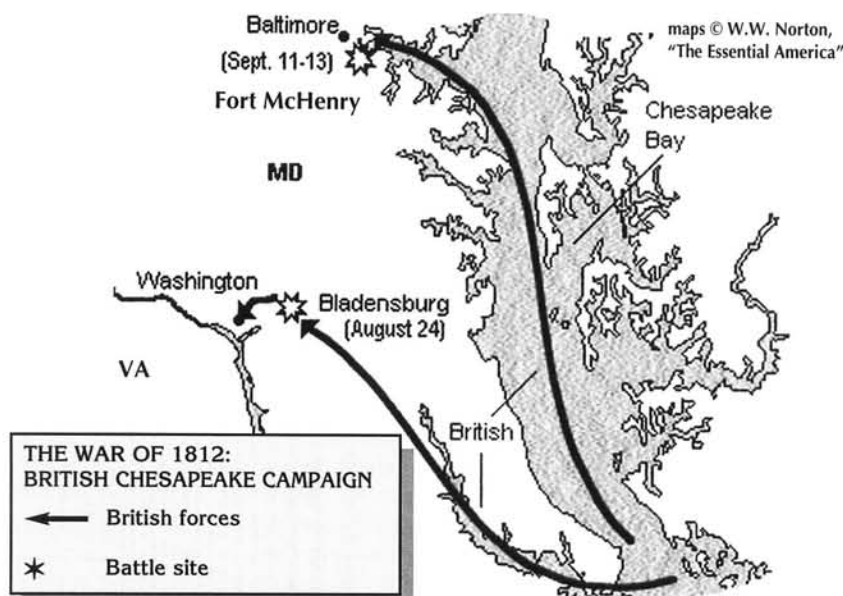


Stephen Decatur



Isaac Hull

WAR OF 1812 AT A GLANCE



The Star-Spangled Banner

Beginning at dawn Sept. 13, 1814, British warships bombarded Fort McHenry guarding Baltimore continuously for 25 hours under heavy rain. Francis Scott Key, a Washington lawyer, witnessed the bombardment from a nearby truce ship. An oversized American flag flew over the fort. When Key saw the American flag flying still intact in the dawn of Sept. 14, he composed the poem "The Defence of Fort McHenry," which would be renamed "The Star Spangled Banner" and become America's national anthem.

Of course, it begins with the lyrics, "O say can you see by the dawn's early light." Its popularity took time, a century in fact. The song only became the official national anthem by executive order of President Woodrow Wilson in 1916, and his order was not confirmed by an Act of Congress until 1931.

WAR OF 1812 SNAPSHOTS

Gold Medals Awarded

Jan. 29, 1813	2 Stat. 830
Captain Isaac Hull, Captain Stephen Decatur, and Captain Jacob Jones	
March 3, 1813	2 Stat. 831
Captain William Bainbridge	
Jan. 6, 1814	3 Stat. 141-142
Captain Oliver Hazard Perry, Captain Jesse D. Elliott, Lieutenant William Burrows and LT Edward McCall	
Jan. 11, 1814	3 Stat. 142
Captain James Lawrence	
October 20, 1814	3 Stat. 245-246
Captain Thomas MacDonough, Captain Robert Henly, and LT Stephen Cassin	
October 21, 1814	3 Stat. 246
Captain Lewis Warrington	
November 3, 1814	3 Stat. 246-247
Captain Johnson Blakely, Major General Jacob Brown, Major General Winfield Scott, Brigadier General Eleazar W. Ripley, Brigadier General James Miller, Major General Peter B. Porter, Major General Edmund P. Gaines, Major General Alexander Macomb	
February 27, 1815	3 Stat. 249
Major General Andrew Jackson	
February 22, 1816	3 Stat. 341
Captain Charles Stewart, and Captain James Biddle	
April 4, 1818	3 Stat. 476
Major General William Henry Harrison and Governor Isaac Shelby	
Feb. 13, 1835	4 Stat. 792
Colonel George Croghan	

Burning of Washington, D.C.

August 24, 1814, was a "bad day" for Washington, D.C. The U.S. was at war with England again. Rear Admiral Sir George Cockburn invaded Washington, defeated the city's defenders at Bladensburg, MD, and marched to the Capitol.

He set the building on fire and then marched to burn the President's House. In between he burned the Library of Congress, the Navy Yard, and the War and Treasury Departments, before putting the President's House to the torch.

President James Madison and his wife Dolley escaped to Virginia. The repainted President's House was soon given a new name: the "White House."

This Issue of *Paper Money* Is Historic

We at *Paper Money* pride ourselves on the historicity (historical perspective/accuracy) of our publication. Our writers are excellent researchers and indefatigable searchers after the truth. Sometimes, however, our presentation rises above the high bar we set for ourselves -- until our publication itself becomes not merely historical record, but historic in its own right.

This issue is one such historic document, presenting as it does *THE* definitive (thus far) look at this nation's first post-revolutionary circulating currency. Because of their rarity, the U.S. Treasury Notes of 1812-1815 have languished in obscurity for nearly two centuries. Although both Hessler and Krause-Lemke have cataloged the notes, their exclusion from Friedberg (early eds.) relegated these important notes to the fringes of our recollection and the backwaters of our hobby.

These national notes suffered the same fate of much of America's heartland. They became the "fly over zone" between the coasts, Colonial/Continental Currency on one side of the chasm, and the Greenbacks of the Civil War at the other shore.

But, as late financial historian, currency expert, and SPMC member Dr. Douglas C. Ball put succinctly:

"The War of 1812 was, in time-honored fashion, financed largely through government issues of bonds and treasury notes. When bond sales faltered, the treasury first issued interest-bearing notes of high denomination, then non-interest-bearing notes clearly meant for circulation. Emboldened by the popular acceptance of these notes, which were received everywhere at par without exchange charges, Secretary of the Treasury George M. Dallas in 1815 proposed a permanent \$10 million government currency. President Madison echoed such views, asserting that if Congress did not charter a new national bank it might consider whether a government currency should be issued as a medium of exchange."

Several years ago the Society awarded its George W. Wait Memorial Award to member Forrest Daniel for another look at War of 1812 currency, and it was our intent to include Forrest's perspective in this issue also. Several delays, however, have prompted our decision to publish SPMC member Dr. Kagin's paper in this issue. Hopefully, a future issue will see publication of Mr. Daniel's fine work, also. -- *Fred Reed, Editor*

*taking, to a certain degree, the place of bank-notes.*¹⁰

This was the first statement by a U.S. Secretary of the Treasury in favor of a federal currency (that is, circulating Treasury notes).

Within six months, Gallatin realized that the Treasury was in deep trouble and urged the House Ways and Means Committee to authorize \$5 million, in 5-2/5 percent Treasury notes payable one year after date of issue. To enhance their acceptability, he proposed that the notes be receivable by the Treasury for all duties, taxes, or debts due the government.¹¹ He further recommended in a later message that the notes be fundable into bonds of the loan for which they were intended to be a partial substitute. This would have the double advantage of helping to sell bonds while keeping the issue of the notes within bounds.

DEBATE IN CONGRESS

A bill embodying these ideas was duly reported out of the House Ways and Means Committee on June 12, 1812, where a heated debate ensued. The *Niles Weekly Register* reported that the controversy over the Treasury notes was the highlight of the legislative session.¹²

Every possible argument ever made against the use of paper money was voiced by the opponents of the bill. They claimed that the notes were not equal in value to gold or silver and would therefore not be taken by banks or people prejudiced against the government paper; that if received they would circulate at a discount, and would further subvert public and private credit; that to allow banks to deposit the notes with the Treasury in exchange for bank paper merely emphasized the description of the government paper; that as with the Continental Currency, these notes would greatly depreciate; that the very need to use them was a confession of impending bankruptcy; and finally, that if they had to be issued, there would have to be a direct tax in order to redeem them.¹³

Proponents of the bill however, proved more pragmatic. To begin with, they argued, there was a shortage of an adequate circulating medium. Silver was already in short supply because shiny new coins were in demand in Latin America and abroad for the China trade, while gold was undervalued at the mint and hoarded leaving little to be delivered for coinage. The alleged poor and depreciated quality of many bank notes (especially since the retirement of the Bank of the United States circulating notes), ensured that a soundly managed Treasury note currency would be a welcome addition to the U.S. economic system. Depreciation would be checked by their receivability for taxes and public use while their value would be sustained by the fact that the banks would hoard them as interest-bearing reserves.

*The banks will be glad to receive these notes in exchange for their own; . . . the Treasury notes bear a daily interest and their own bear none at all. They are immediately convertible into any kind of money desired; for the banks always have customers who will use them in payment of bonds due the United States for duties, etc. They are thus better as deposits than specie—gold and silver; for gold and silver lie dormant in the vault—whereas the Treasury notes will be active capital, every hour becoming more and more valuable, and as fully competent to all the purposes of the banks as specie, because they will produce it. From these brief remarks it will appear evident that Treasury notes, the moment they are issued, will be hoarded up by the banks, if they can get them. . . .*¹⁴

The positive arguments, aided by the inability of the opposition to fill the Treasury by any other means, prevailed and the bill authorizing \$5 million in Treasury notes passed the House of Representatives on June 17, 1812 by a vote of 85 to 41.¹⁵ Final enactment of the bill came on June 30, 1812, nearly 12 days after war was declared.

TERMS AND SUCCESS

The law, which conformed to Gallatin's proposals, authorized the President to issue up to \$5 million in denominations of \$100 or more (although only \$100 and \$1,000 notes were actually issued). They were redeemable one year after issue at 5.4 percent, or 1-1/2 cents a day per \$100. All the notes were payable to order, transferable by delivery and assignment on endorsement, and more importantly,

were receivable for duties, taxes, and payments for public lands at par plus accrued interest.¹⁶

The first Treasury notes were signed by design of the President Madison at a compensation of \$1.25 for each 100 notes signed. After the notes were signed, they were sent to the U.S. Commissioner of Loans for the state where the respective notes would be payable. The fee was reduced to \$.75 per 100, as part of the Act of December 26, 1814.

The first issue was quite successful. By the end of 1812, \$3.5 million had been sold to, or were contracted for, by the banks. The majority of which were located in the Middle Atlantic States.¹⁷ The rest of the bills were disposed of by December 1, 1813 of the following year, with New England absorbing a considerable portion of them. All notes, except for a few \$100s, were redeemed by the end of 1814 and withdrawn from circulation.¹⁸ Although the initial shock of the war had temporarily depressed the prices of public bonds during late 1812, the new loans and Treasury notes sold at par.¹⁹ An editorial in *Niles Weekly Register* touted the new notes by stating, "This plan appears the most eligible that could possibly have been adopted, as it will mutually accommodate the Government and the people, and be advantageous to both."²⁰

There is some question however, whether these first notes actually circulated. Newly appointed Treasury Secretary Alexander James Dallas in a letter to William Lowndes, Chairman of the House Select Committee investigating the chartering of the Second Bank of the United States, reported that the Treasury notes had met with opposition and had been willingly accepted only by "necessitous creditors, or contractors in distress, or commissaries, quartermasters, and navy agents acting officially."²¹ He went on to point out that even when received they were instantly used to make tax payments to the government, "thus disappointing and defeating the only remaining expectation of productive revenue."²²

The *Niles Weekly Register* claimed that the banks were hoarding these notes.²³ No doubt these banks were using the new interest-bearing Treasury notes as reserves, thereby creating a corresponding increase in the money supply.²⁴ Evidently the bankers were quite content to collect the rather generous 5-2/5% interest rate rather than circulate the notes. In either case, they were not freely circulating as hand-to-hand currency, which was scarcely surprising in view of the high denominations involved, the transfer-by-endorsement-only rule, and their utility as bank reserves.

NEW WAR LOANS

By the beginning of 1813 it became apparent that the war-loan policy heretofore pursued was hopelessly inadequate. With expenditures running \$28.5 million more than receipts, new revenues were an urgent necessity.²⁵ Yet it was not until the middle of the year that Congress took any new steps to meet the Treasury's expenditures. Even President Madison refused to recognize the facts of life and in an incredibly myopic statement proclaimed that the Treasury receipts up to September of 1812 were "sufficient to defray all the demands of the Treasury . . . and will enable us to defray all the expenses of this year."²⁶

As a result, instead of immediately implementing new tax programs, Congress, following Treasury Secretary Gallatin's monetary suggestions, authorized a new loan of \$16 million on February 8, 1813. Realizing at the very last that there would be difficulties in selling these bonds, Congress left the rate of interest and sales price to the Secretary's discretion.

The resistance to this new loan was all but total. Even in Congress it was energetically attacked on the ground that no special fund had been set apart for its repayment and that the war, for which great expenses were to be incurred, should never have been declared in the first place.²⁷ Subscribers were not only quick to



TN-2 \$100 Uncut pair of Unsigned remainders. An eagle on a branch at upper right. Shield and cannon at lower center.

realize that there was no redemption fund, but that the war was going badly and would be worse yet if the British could finish off Napoleon and direct their undivided efforts at America. Moreover Gallatin, frustrated with congressional reluctance to follow his recommendations, disgusted with the open antagonism displayed by members of his own party, and sensing that it was too late to make the necessary fiscal amends, took a diplomatic leave of absence, thereby abandoning a Treasury mixed in total confusion.²⁸

When the new loan was offered on March 12 and March 25, 1813, only \$500,000 was subscribed to on the same terms, 6 percent, as the previous loans.²⁹ The Government was accordingly compelled to sell the rest of the loan stock at a 12 percent discount. Even more embarrassing, the Treasury was forced to make the same concession of a 12 percent discount to those who had earlier purchased loans at par, such as Stephen Girard, David Parish, and John Jacob Astor who were allegedly front men for foreign investors including the Rothschilds. The revelation of this did nothing to improve the Treasury's prestige or credit.³⁰

SECOND ISSUE OF TREASURY NOTES

The difficulties of floating the \$16 million loan along with the necessity of having to borrow an additional \$19 million forced another issue of Treasury notes. As suggested by Gallatin in December, 1812, Congress authorized the issue of \$5 million in new Treasury notes to replace those of June 1812.³¹ The Congressional debate was as arid as before with the bill passing the House: 79 to 41.³²

The terms of issue were identical with the preceding notes, with the exception that these were to be redeemed by March 31, 1815, although in the actual event the last payment was not made until the fourth quarter of 1820.³³ Thus by the summer of 1813 the pattern of financing the war had been set;

Congress would raise as "much as it could" in long-term loans and make up the difference by issuing Treasury notes. At the same time nothing had been done to support this mass of floating currency which now approached \$10 million; a sum equal to one year's peacetime revenue.

INTERNAL TAXES

It was at this time that Congress was compelled to consider internal taxes. On May 24, 1813, a full year after the outbreak of war, President Madison called a recalcitrant Congress into special session and told it that the time was long past due for producing a "well-digested system of internal revenue."³⁴ Spurred by the President's remonstrances and reluctantly recognizing the impossibility of raising all needed funds by borrowing, Congress halfheartedly passed a few direct levies. There were however, serious problems associated with collecting this revenue. As Gallatin had dismantled all the internal revenue machinery in 1801-1806, it took a year to collect even the small, inadequate amount legislated. Nor could the Treasury get any bridge financing in the interim. Anti-war proponents, especially in New England, balked at every effort to get them to help. Indeed, the Federalist New England press declared that no true friend of the country would be found among the subscribers to such loans. Opposition was so great that advertisements for war bonds in Boston papers had to promise anonymity to would-be subscribers.³⁵

By the end of 1813, Government finances were in poor shape. Anti-war sentiments chilled bond sales as did the Congressional reluctance to provide revenue as backing. Moreover, the banks were either unable or unwilling to lend. Thus the Treasury was compelled to issue even more Treasury notes.

By 1814 the situation was critical. Not only had expenditures risen consider-



TN-6a \$100 Double signature remainder. Eagle on branch at upper right corner. Shield and cannon lower center. Signed by Edward Fox and Samuel Clark. (Hessler X-74C)

ably, but revenue from import duties had drastically declined.³⁶

Once again, Congress resorted to borrowing for its revenue. This time \$25 million was authorized, the largest that had ever been attempted, and this only after much spirited debate on the entire question of the war.³⁷ Three subscriptions were offered, each one failing worse than the previous one.

Discounts up to 20 percent, including provisions for accepting subscriptions in Treasury and state bank notes, had to be provided. An additional provision required that if more favorable terms were granted, the same terms had to be provided for any previous loans.³⁸

During the summer and fall of 1814 this latter provision led to considerable speculation and embarrassment, which further depreciated the value of government stock and marked the lowest point in the government's effort to finance the war.

THIRD ISSUE OF TREASURY NOTES

The same March 14, 1814 Act authorizing a \$25 million loan also provided for \$10 million of Treasury notes, half of which were considered to be part of the \$25 million loan. In his report of December, 1813, acting Treasury Secretary William Jones, who was appointed by President Madison, urged the further use of Treasury notes:

*The certainty of their (Treasury notes) reimbursement at the end of the one year, and the facilities they afford for remittances and other commercial operations have obtained for them a currency which leaves little reason to doubt that they may be extended considerably beyond the sum of five millions of dollars, hitherto authorized to be annually issued.*³⁹

By that time it would appear from the congressional debates and statements by the Treasury Secretary, that public policy called for the issue of no more Treasury notes than could be supported by fiscal revenues. Should more be issued, they would be in lieu of, or as an adjunct to, stock loans.

Although there was an attempt to amend the bill, which would have prohibited the issuance of notes in denominations of more than \$100 or less than \$5, only three denominations, \$1,000, \$100, and \$20 were issued.⁴⁰ The use of a \$20 note, even though interest bearing, was a significant departure from previous practices, for they were clearly intended to serve as a *de facto* hand-to-hand currency. Proof of their intended circulation can be found in Tennessee Governor William Blount's October 12, 1814 letter to the new Treasury Secretary Alexander J. Dallas in which the former stated that he had endorsed \$100,000 in Treasury notes, "so that they may go into circulation." Blount subsequently delivered the notes to Postmaster General W. B. Lewis to distribute.⁴¹

The third issue did not satisfy public demand for a circulating currency and the general suspension of specie payments outside New England forced a review of Treasury policy. In October, 1814, Chairman of the House Ways and Means Committee, John Eppes, solicited from Treasury Secretary Dallas, suggestions on how to revive and maintain the public credit.⁴²

Dallas's perspicacious, if lengthy reply, mentioned the prevailing apprehension over the government's credit and characterized circulating currency as a "copious source of mischief and embarrassment." Exportation and hoarding by individuals of specie, he explained, had considerably diminished the fund of gold and silver coin. Even worse, the suspension of specie payments had "suddenly broken the



(Above) TN-8a(2b) \$100 Double signature remainder. Eagle on branch at upper right corner. Shield and cannon below center. Signed by Edward Fox and Samuel Clark. (Hessler X80C)

(Below) TN-8 \$100 Unsigned remainder. Eagle on branch at upper right corner. Shield and cannon below center.



chain of accommodation that previously extended the credit and circulation of the notes which were emitted in one State into every State of the Union. . . .” “There exists at this time,” he continued, “no adequate circulating medium common to the citizens of the United States.”⁴³

As a remedy he suggested that “under favorable circumstances and to a limited extent, an emission of Treasury notes would probably afford relief.”⁴⁴ He did point out however, that the notes were “an expensive and precarious substitute for coins and bank notes.” The Secretary concluded that the notes might be issued under the auspices of a national bank. “But whether the issues of a paper currency proceed from the national treasury or from a national bank, the acceptance of the paper . . . must be forever optional with the citizens.”⁴⁵ In other words, under no circumstances did the Treasury Secretary want the notes to be legal tender, although they should be receivable for all public dues and taxes—that is they were partial legal tender.

In an attempt to establish a uniform national currency, the President called Congress into special session on September 19, 1814. Congress ducked the question however, when it authorized a \$3 million loan subscribable in Treasury notes. No stock was issued under this act but \$1.45 million was borrowed from banks under special contracts.⁴⁶

FOURTH TREASURY NOTE ISSUE

It was not long after the enactment of this measure that Congress decided to issue more Treasury notes in preference to another issue of stock. With little or no debate, both Houses authorized another issue of \$7.5

million. These notes were to be in lieu of Treasury notes authorized by previous loan acts. This December 26, 1814 Act also authorized an additional \$3 million of notes to defray war expenses for 1814. Most of the bill’s provisions were identical to the Act of March 4, 1814 and resulted in the issuance of a total of \$8,318,400.⁴⁷ Historian John J. Knox reported that \$20, \$50, and \$100 notes were issued (although there are no records of \$50 bills having ever been printed).

It was the unenviable duty of the Treasury Secretary Dallas to report early in 1815 that the Treasury was virtually empty and without credit. Some \$98 million had been borrowed during the war, leaving a funded debt of \$68 million, while a deficit of \$40 million was estimated for 1815.⁴⁸ New loans had been solicited abroad but none were available. Fiscal revenues were far from adequate, and a uniform circulating medium still had not been achieved. A new monetary expedient was necessary.⁴⁹



Alexander J. Dallas helped his friend, Gallatin obtain funds to fight Britain. The war nearly bankrupted the country by the time Dallas replaced Gallatin as treasury secretary in 1814.

SMALL TREASURY NOTES

In the October 10, 1814 report of the House Ways and Means Committee, Chairman Eppes argued that in order to secure the circulation of Treasury notes, small denominations should be issued. They should be payable to bearer, transfer-



TN-9a(2b) \$100 Uncut pair of double signature remainder. Spread Eagle on Shield at upper left. “20” surrounded by cornucopia in lower center. Signed by Edward Fox and Samuel Clark. (Hessler X-80A)

able by delivery, and receivable in all payments for public lands and taxes. Internal revenues should be pledged for payment of the interest, and the notes should be fundable into 8 per cent stock or redeemable in specie after six month's notice, by the government.⁵⁰ This was a radical departure for Dallas, who had never before suggested non-interest-bearing notes as a national circulating medium. These views were repeated at the end of November, when Eppes wrote to Dallas about the proposed National Bank. In his December 1, 1814 reply, Dallas stated that with specie payments suspended, a National Bank would be difficult to establish and that the "introduction of a national circulating medium. . ." was necessary.⁵¹ Later that month Dallas reported that "Notes of a smaller denomination than heretofore issued have been prepared. . ."⁵² This is revealing because no Congressional resolution for small Treasury notes was forthcoming until the next month.

On December 11, 1814, Representative Bolling Hall of Georgia introduced a resolution that directed the House Ways and Means Committee to inquire into the expediency of authorizing the Secretary of the Treasury to issue notes convenient for circulation. In one of his five resolutions, Hall proposed that these bills "shall be a legal tender in all debts."⁵³ The House agreed to consider Hall's resolutions with the exception of the legal tender clause. By a vote of 42 to 95, the first attempt to discuss a legal tender currency was defeated. The entire small Treasury note issue was briefly commented upon and soon laid on the table by a large majority.⁵⁴

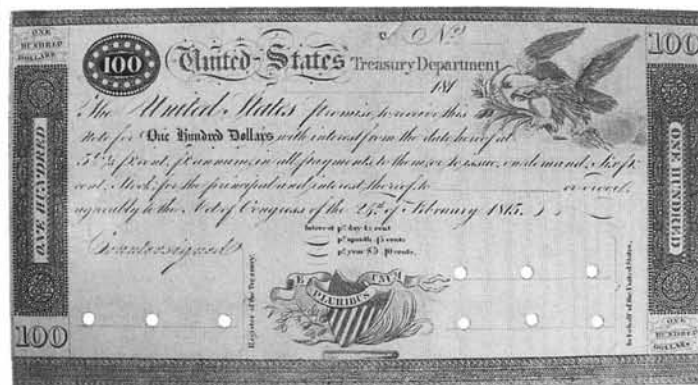
A subsequent resolution of January 7, 1815, was introduced by Representative Lyman Law of Connecticut. He proposed to make Treasury notes receivable in payment for fines, forfeitures, penalties, and taxes owed to the United States. It seems that, contrary to the reports of the Treasury Secretary, many of the tax collectors were refusing Treasury notes. In spite of this request, the resolution was laid on the table by a vote of 61 to 56.⁵⁵

Two weeks later, in his State of the Treasury report to Congress, Secretary Dallas made a proposal similar to the resolution by Eppes and Hall. Treasury notes amounting to \$15 million. In his report, he suggested that "The denominations of \$100 and upwards, shall be made payable to order and shall bear an interest of five and two-fifths per centum per annum." Notes of a denomination less than \$100, but not less than \$20, would either be payable to order and bear an interest at the same rate, or shall be payable to bearer, and not bear interest. Notes under \$20 would be "payable to bearer and shall be circulated without interest."⁵⁶

A bill incorporating Dallas' recommendations was introduced in the House on January 30, 1815 and referred to the Ways and Means Committee. The bill passed the House on February 11, the Senate on February 21, and became law on February



1815 Seven Per Cent, Stock of 1815, unsigned remainder.



(Above) TN-10P(a) \$100 Punch hole cancelled Proof with 9 holes. Eagle on branch at upper right corner. Shield and cannon below center. (Hessler X-85)

(Below) TN-10 \$100 Unsigned remainder. Eagle on branch at upper right corner. Shield and cannon below center.





TN-11a(1) \$50 Single signed by Samuel Clark. Spread Eagle on branch at upper right corner.



TN-11b(1) \$50 Fully signed, punched hole cancelled. Spread Eagle on branch at upper right corner. Signed by McCreary, Biddle and Nourse. (Hessler X-83E)



TN-12P \$20 Punch hole cancelled Proof with 9 holes. Eagle on branch at upper left corner. "20" surrounded by cornucopia in upper right corner.

24, 1815.⁵⁷

As originally proposed, there would have been an issue of \$15 million redeemable in five annual installments of \$3 million each, for which land tax was pledged. Connected with this scheme was a proposed interest bearing loan of \$25 million. During debate, the bill was amended to reverse the amounts of bonds and Treasury notes, so that there were now to be \$25 million of the latter.

While the bill was being considered, Eppes wrote to Dallas requesting additional information. Once again Dallas urged the use of small Treasury notes in preference to state bank notes as the national medium of exchange. He warned Eppes however that, "considering the outstanding amount of Treasury notes, any new issue should be made to rest upon a basis that will enable the government to employ it both as a circulating medium and as the means of raising money in aid of the revenue."⁵⁸

The treaty of peace with England was received a few days before the bill passed (rendering it no longer necessary as a war measure), but it was enacted as a means of paying off the arrearages of the war. It was also intended to give a circulating medium to the country superior to state bank notes. Notes issued under this act were denominated 'small' if under \$100, and 'large' if \$100 or over. Unlike the first three acts of the series, these notes were not chargeable upon the sinking fund, nor were they payable out of any money in the Treasury not otherwise appropriated as in the previous Act of December 26, 1814. Instead they rested entirely upon the provision making them fundable into stock. The small notes were fundable in 7 percent stock; the large ones in 6 percent certificates.

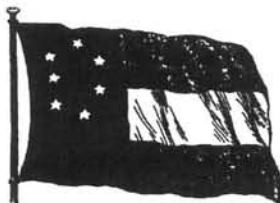
Of the \$25 million authorized, only \$4,979,400 in \$100 notes and \$3,392,994 in small notes consisting of \$3, \$5, \$10, \$20, and \$50 notes were actually emitted.⁵⁹ The small Treasury notes however, were reissued so that a gross total of \$9,070,386 was disbursed.⁶⁰

SUCCESS OF THE TREASURY NOTES

Just how successful were the Treasury notes as a circulating currency? Secretary Dallas in a December, 1815 report, stated that the notes issued prior to February 24, 1815 were of denominations too high to serve as current medium of exchange. Although the Treasury Secretary was correct in this assumption, the large Treasury notes (\$100 and over) indirectly served to increase the circulating money stock. Their utility as short-term (one year) interest earning assets with virtual legal tender status made them extremely desirable as bank reserves. With bank notes no longer refundable in gold (except in New England), and specie no longer available, as economic historian Richard H. Timberlake has pointed out, "what could be more attractive to a bank than reserve assets that are legal tender and yet returned interest income as part of the bank's investment portfolio?"⁶¹



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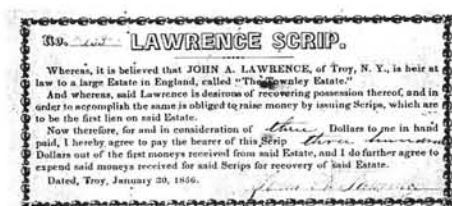
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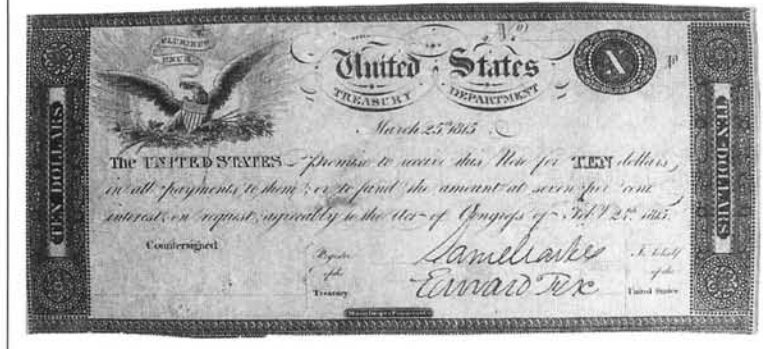
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(Above) TN-13a(2a) \$10 Double signature remainder. Eagle on branch at upper left corner. Text at right "Receivable every where by the UNITED STATES in payment of duties, taxes & public land." Signed by McGear and Biddle.

(Below) TN-14a \$10 Double signature remainder. Eagle on branch at upper left corner. No text at right and minor changes. Signed by Clarke and Fox. (Hessler X-83C)



There were of course the usual skeptics. The small Treasury notes, fundable at an interest of 7 percent (though of a convenient denomination for common use, Secretary Dallas asserted), "would be converted into stock almost as soon as they were issued."⁶² Even President Madison in his veto message on the Bank of the United States on January 30, 1815, stated that no "adequate advantage arises to the public credit from the subscription of Treasury notes."⁶³ A more thorough analysis, reveals not only that the Treasury notes were successful in helping the public credit and as bank reserves, but also that they did indeed circulate.

An editorial in the *Richmond Examiner* of December 31, 1814 urged more people to accept Treasury notes. They were superior, the writer claimed, to the Exchequer bills of England, and already many people were accepting the notes.⁶⁴ The same paper reported on January 10, 1815, that the Treasury notes "are rising fast in our market. They were sold yesterday, not merely at their nominal value, but with the interest added."⁶⁵

Both John Jay Knox writing in 1884, and numismatic scholar Walter Breen, asserted that the \$100 Treasury notes depreciated some 8 to 10 percent. This may have been true in New England against their specie controlled notes, but published accounts in various papers do not generally bear this out. Indeed, the May 20, 1815 issue of the *Baltimore Sun* stated,

"Treasury notes are now in demand and will soon, everywhere, bear a premium nearly equal to the amount of interest they may have accrued on them, on account of the uncommon sums speedily to be paid for duties at our custom-houses."⁶⁶ That same day, the *Niles Register* quoted a report in the *Boston Patriot* that, "Treasury notes pass at par in Canada. A Canadian will give his hundred silver dollars for a Treasury note of that sum."⁶⁷ This is a powerful testimonial when it is remembered that it emanated from the most intensely anti-war city in the nation.

Another editorial in the *Niles Register* surmised that the Boston brokers were angry with the Secretary of the Treasury for not letting them fund Treasury notes on their terms. The editor concluded that this was the reason the Boston brokers had tried to discredit the notes by claiming they had depreciated as a result of the war. This assertion by the Boston merchants, the editor continued, was not a credible one since the duties and taxes for which the Treasury notes were payable (and therefore useful) could retire double the amount of notes in the people's hands.⁶⁸

Since the demand for these notes was twice the supply, there was certainly no reason for them to depreciate, but instead they should have and did command a premium.

Two of the best pieces of evidence to support the success of the Treasury notes can be found in two advertisements. In the *Richmond Examiner* of June 7, 1815, a certain Hugh Chambers offered: "Par will be given for One Hundred Thousand Dollars worth of Treasury Notes."⁶⁹ The other advertiser, this time in the *Washington National Intelligencer* of August 15, 1815, offered to pay a premium for Treasury notes.⁷⁰ If merchants, albeit speculators, could pay a premium for Treasury notes, it can hardly be asserted that the bills were severely depreciated. Indeed, the only notices in the media that suggested depreciation in the Treasury notes were found in Boston where a certain banker stated that the 7 percent Treasury notes (and probably all non-New England paper) go at an 8-1/2 to 9 percent discount.⁷¹ This was logical because New England never suspended specie payments. Since specie was the conventional medium and only New England bank

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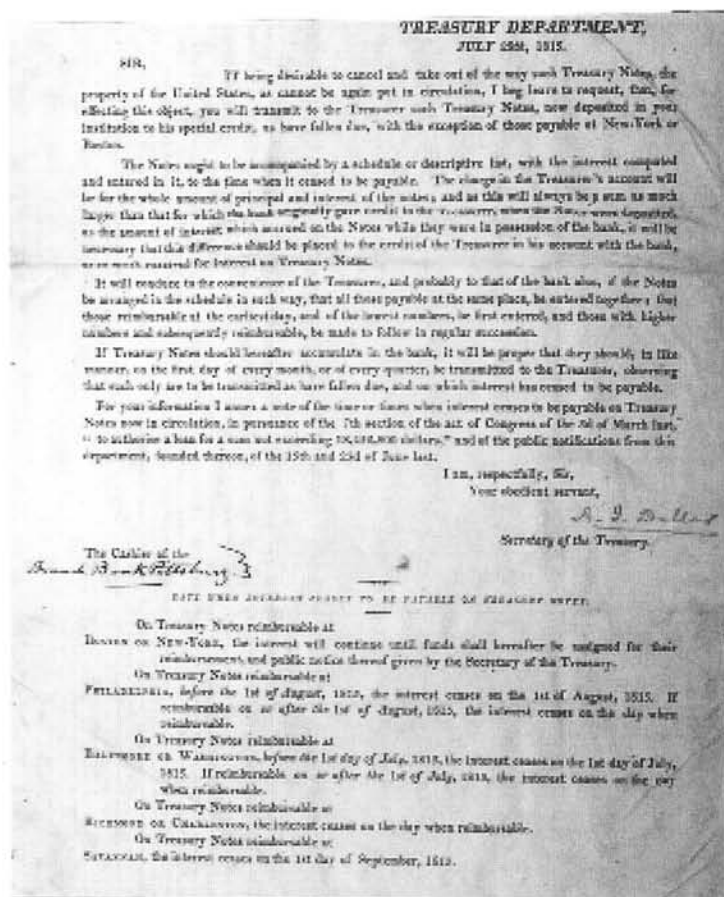
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A letter dated July 29, 1815, from Secretary of the Treasury, Alexander J. Dallas to the Cashier of the Branch Bank of Pittsburgh, requesting that any Treasury notes be turned back in to the Treasury.

notes were specie-convertible, all other non-convertible money would naturally be discounted. It was also true that premiums were paid for U.S. notes in terms of depreciated bank notes, while the Treasury notes were at a discount for specie.

There is also substantial evidence that the small Treasury notes circulated as currency. The *Niles Register* of June 24, 1815 reported:

Treasury Notes. This species of money, so convenient as a general circulating medium, is above par at Philadelphia and in all parts of the southward and westward-nearly at par in New York, and rapidly rising in Boston. . . .

*It is probable that Treasury Notes will immediately become the circulating medium of all the Union; and, perhaps, sound policy may dictate the issue of a large number of small amounts, like bank notes, without interest, as well as to supply the general demand. . . .*⁷²

In a directive on August 15, 1815, the Treasury Secretary mentions that the circulating medium for local use at that time was cents, Treasury notes and local bank notes.⁷³ A Boston paper reported a notice by Treasury Secretary Dallas on December 23, 1815, that because of the suspension of specie payments there was no hard money in the Boston loan office to payoff its debts; there were only Treasury notes which were the "major circulating medium now and the way people pay taxes and duties."⁷⁴

In his own December, 1815 report, Dallas submitted a table showing \$1,365,000 in small treasury notes being sold at a premium of from 2-1/2 to 4 percent, a high premium to pay for non-interest bearing notes convertible into 7 percent

stock when other certificates, such as treasury loan certificates, were available at an effective rate of 27 percent.⁷⁵ A logical explanation is that these small Treasury notes were valuable as a circulating medium throughout the country; that faith was rising in government bonds; and that funds were needed for customs.

Breen asserted that by October 1, 1815, \$3,218,950 worth of notes (95% of the notes issued) were exchanged for stock.⁷⁶ He concludes from these figures that the notes did not circulate but were immediately funded. But Breen's figures are incorrect.

By October 1, 1815 a total of \$2,282,850 of notes were issued and only \$1,860,000 were paid in for duties and taxes or used in funding. From these figures



TN-15 \$15 Unsigned remainder, cross cut cancelled. Spread Eagle with shield at upper right. (Hessler X-83B)

we realize not only that 81 percent of the small Treasury notes were used for paying taxes or used in funding, but that the notes served a currency purpose by being tax receivable. Furthermore, of the original \$2,282,850 in Treasury notes, more than \$1.3 million went to pay for war supplies and another \$645,000 were turned over to pay the dividends on the public debt. The remaining \$335,000 was actually

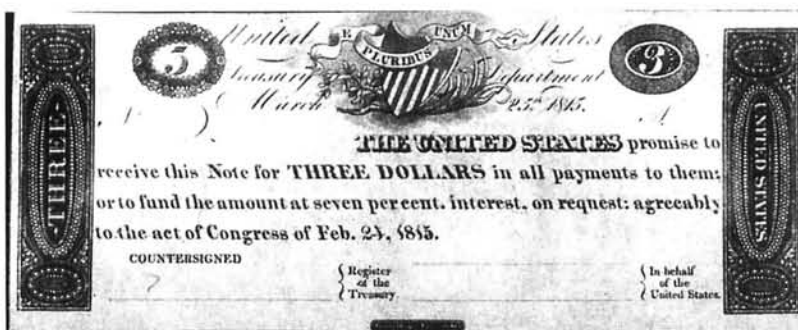
sold at premiums of 1-1/4 to 4 percent (presumably vis-à-vis depreciated bank notes).⁷⁷ It is certainly more plausible that most of these notes circulated, were used as back reserves, or were turned in for taxes, rather than funded at 7 percent as Breen believed.

It is doubtful that the non-interest bearing small Treasury notes saw much use as bank reserves either. Individuals would deposit the notes or merchants would use them to pay customs duties. The banks would sometimes use the Treasury notes as cash reserves to prevent their own notes from being discounted. Thus the small Treasury notes would again be recycled into the community, acting just as planned—a circulating substitute to specie.

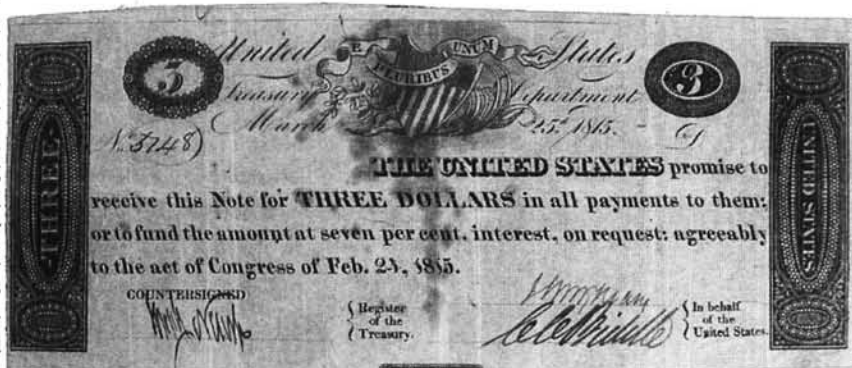
Despite the usefulness of the Treasury notes, Secretary Dallas still viewed them as an embarrassment to the fiscal operations of the government, made necessary by the extraordinary expenses of war. In his December 1816 report the Secretary recommended that since temporary loans could be obtained from the newly chartered Second Bank of the United States, "the reissue of Treasury Notes, of all description, should be discontinued." He therefore suggested that "an appropriation be made during the present session of Congress for the reimbursement of the whole of the Treasury notes issued under the act of the February 24, 1815. The Treasury notes issued under the preceding laws have either been reimbursed, or provisions made for that object during the last quarter of the year."⁷⁸

Again, following the Secretary's recommendations, Congress passed an act on March 3, 1817, repealing all previous Treasury note acts and prohibiting further issue of notes. This law remained in effect for almost 20 years, during which time the legal circulating medium consisted of Spanish and Mexican dollars, occasionally other foreign silver, and notes of the Second Bank of the United States.⁷⁹ Thus ended the first experiment with circulating Treasury notes; one necessitated (like most currency issues throughout history) by a currency-hungry war.

The introduction of these first Treasury notes caused an expansion of the money supply and a corresponding rise in prices by acting as bank reserves. Their utility as legal tender issues however, prevented their massive depreciation as was the case for some of the earlier Colonial issues, the Continental notes of the American Revolution, and later Union and Confederate Civil War notes. Not only were the Treasury notes our Nation's first circulating currency, but also it's most successful.



TN-16 \$3 Unsigned remainder. Shield with motto in upper center.



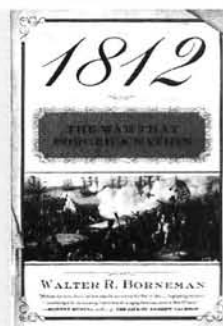
TN-16b(1) \$3 Fully signed remainder. Shield with motto in upper center. The only known uncanceled circulating Treasury note sold.

An Act Declaring War Between the United Kingdom of Great Britain and Ireland and the Dependencies Thereof and the United States of America and Their Territories.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That war be and the same is hereby declared to exist . . . and that the President of the United States is hereby authorized to use the whole land and naval force of the United States to carry the same into effect . . ."

APPROVED, June 18, 1812

Want more details on this interesting period of U.S. history? You may want to read the best selling book by historian Walter Borneman (HarperCollins, 2004).



Appendices

Treasury Note Types:

Virtually all 1812-1815 Treasury notes issued were redeemed by the government and destroyed. Less than 150 notes (assuming existing uncut sheets were cut into single notes) of four basic types are known today. These include unsigned remainders, partially signed remainders, fully signed notes and proofs.

About two dozen cardboard proof specimens of the last two issues are known to have survived over the last 200 years. Presumably this number represents most of those printed, as specimen notes were likely hoarded by collectors. It is believed that most were supplied to the chief custom houses and other receivers of public funds in Baltimore, Boston, Charleston, New York and Philadelphia.⁸⁰

All known proofs are punched cancelled by printers Murray, Draper, Fairman & Co. with either two or three holes equally spaced above each three signature lines for a total of nine holes on the \$20 and \$100 notes of the December 26, 1814 issues and the \$100 notes of February 24, 1815; eight holes on the \$5 and \$50 denominations of the February 14, 1815 issues, and six holes on the \$10 notes. No proofs are known of the \$3 or \$20 denominations of the small Treasury notes.

Unsigned remainders or unissued notes are known for almost all the series. These specimens were printed but never issued and eventually entered the collecting market. About a quarter of all Treasury notes are unsigned remainders.

Partially signed notes are either singly or doubly signed. One cut sheet of four \$50 notes is singly signed by Edward Fox. Usually these and double signed notes without countersignatures were sent to banks and other government

institutions for comparison purposes to detect counterfeits. These doubly signed notes are either by the duo of Edward Fox and Samuel Clarke, or F.W. McGeary and Clement C. Biddle.

Fully signed notes with the countersignature are scarce and all but two are \$50 denominations from the fifth series small Treasury notes. Of the approximately 12 known, all are punched hole cancelled. The two known (and one unconfirmed) non-cancelled fully signed notes consists of a \$3 note countersigned by Joseph Nourse and a \$10 note countersigned by James Dickson (this note is illustrated in Knox, but has never appeared for sale).

Major Treasury Note Collections:

Only four major collections of Treasury notes have been sold this millennium, but together they contained almost half the known notes. The Alexandre Vattermare Collection (R.M. Smythe 6/00) contained 17 notes including a few unique cardboard proof sheets. John Jay Ford (Stacks 10/04) acquired over 40 notes mostly from the F.C.C. Boyd and Julian Blanchard collections. The Donald H. Kagin collection accumulated over 30 years was sold privately to the "Taylor Family" (Currency Auctions of America 2/05) and contained 16 notes and ancillary bonds and contemporary articles. A fourth collection, the Jim O'Neil Sale (Currency Auction of America 5/05) was comprised from notes from the other three sales.

Less than 35 specimens are known for the first four interest bearing issues combined (including uncut sheets and specimens). The balance of more than 110 notes is from the circulating small Treasury notes. Following are tables containing information about Treasury notes and loan provisions associated with the War of 1812.

TABLE 1 — War of 1812 Notes

(Amounts in millions of dollars)

<i>Issue Date</i>	<i>Authorized Amount</i>	<i>Amount Sold</i>	<i>Authorized Rate</i>	<i>Rate Sold</i>	<i>Retroactive Discount Clause</i>
March 14, 1812	11.0	11.0	6%	Par	No
February 8, 1813	16.0	16.0	6%	88-1/3%	No
August 2, 1813	7.5	7.5	6%	88-1/4%	No
March 24, 1814	25.0	16.0	6%	85%	Yes
November 15, 1814	3.0	1.5	No Limit	Special Contract	Yes
December 26, 1814	10.0				Yes
February 24, 1815	15.0		7%	95%	Yes
March 3, 1815	18.46				Yes

Source: Rafael A. Bayley, *National Loans of the United States from July 14, 1776 to June 30, 1880* (Washington, D.C., 1882).

TABLE 2 — Amount of Treasury Notes Issued

(Amounts in dollars)

<i>Issue Date</i>	<i>Amount Issued</i>
June 30, 1812	5,000,000
February 25, 1813	5,000,000
March 4, 1814	10,000,000
December 26, 1814	8,318,400
February 24, 1815	4,969,400 Large Notes 3,392,994 Small Notes
TOTAL:	\$36,680,794

Source: "Domestic Letter, 1814-1816," Vol. I, *Record Group 53*, National Archives (Washington, D.C.).

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Colonial	5-1/2" x 3-1/16"	\$21.00	\$38.50	\$175.00	\$320.00
Small Currency	6-5/8" x 2-7/8"	\$21.50	\$41.00	\$182.00	\$340.00
Large Currency	7-7/8" x 3-1/2"	\$24.00	\$45.00	\$200.00	\$375.00
Auction	9 x 3-3/4"	\$26.50	\$48.00	\$235.00	\$410.00
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Checks	9-5/8 x 4-1/4"	\$30.00	\$55.00	\$250.00	\$440.00

SHEET HOLDERS

SIZE	INCHES	10	50	100	250
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End Open	8 3/4" x 14 1/2"	\$18.00	\$80.00	\$140.00	\$325.00
National Sheet					
Side Open	8 1/2" x 17 1/2"	\$19.00	\$85.00	\$150.00	\$345.00
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End Open	9 1/2" x 12 1/2"	\$17.50	\$75.00	\$135.00	\$315.00
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TABLE 3 — Treasury Notes Outstanding as of January
(Amounts in dollars)

<i>Issue Date</i>	<i>Amount Outstanding</i>
1813	2,835,500
1814	4,907,300
1815	10,646,480
1816	17,619,625
1817	3,450,000

Source: "Domestic Letter, 1814-1816," Vol. I, *Record Group 53*, National Archives (Washington, D.C.).

TABLE 4 — Treasury Note Bill Provisions

<i>Issued Date</i>	<i>Authorized Emission</i>	<i>Amount Sold</i>	<i>Where Issued</i>
June 30, 1812	\$5,000,000	\$5,000,000	Boston, New York, Baltimore Philadelphia, Washington, DC
February 25, 1813	\$5,000,000	\$5,000,000	
March 4, 1814	\$5,000,000 & \$5,000,000* (* As part of any loan act of that session)	\$10,000,000	Boston, New York, Philadelphia Washington, DC, Richmond, Charleston, Savannah
December 26, 1814	\$7,500,000 (As part of loans of 3/24 & 11/15 & \$3,000,000)	\$8,318,400	
February 24, 1815	\$25,000,000	Large \$4,969,400 Small \$3,392,994 + Reissue \$9,070,386	

Note: The large Treasury notes were 7-3/8 by 3-7/8 inches. They were printed on blue and red silk-fibered, watermarked paper by MURRAY, DRAPER, FAIRMAN & CO.

Source: "Domestic Letter, 1814-1816," Vol. I, *Record Group 53*, National Archives (Washington, D.C.).

TABLE 5 — Amount of Treasury Notes Sold & Redeemed

<i>Issue Date</i>	<i>Amount Issued</i>	<i>Amount Redeemed</i>
1812	\$2,835,500	
1813	\$6,094,500	
1814	\$8,297,280	\$5,800,000
1815	\$12,200,000	\$2,700,000
1816	\$4,300,000	\$9,700,000

Source: Alexander J. Dallas, "Report of the Secretary of Treasury, 1815" *Reports of the Secretary of the Treasury of the United States* (Washington, D.C., 1837), Vol. I, p. 15.

TABLE 6 — List of Small Treasury Notes Sold

<i>Percent Premium</i>	<i>Amount</i>	<i>Amount of Premium</i>
4	\$ 300,000	\$12,000.00
3-1/4	\$ 19,600	\$ 637.00
3	\$ 89,400	\$ 2,682.00
2-3/4	\$ 55,000	\$ 1,512.50
2-1/2	\$ 281,000	\$ 7,025.00
2-1/4	\$ 5,000	\$ 112.50
2	\$ 340,000	\$ 6,800.00
1-3/4	\$ 10,000	\$ 175.00
1-1/2	\$ 91,000	\$ 1,365.00
1-1/4	\$ 74,000	\$ 925.00
1-1/4 (With one month interest deducted)	\$ 100,000	\$ 659.37
	<u>\$1,365,000</u>	<u>\$33,893.37</u>

Deduct sundry charges incurred: \$ -1,785.73

Net amount of premium received by the United States: \$32,107.64

Source: "Domestic Letter, 1814-1816," Vol. I, *Record Group 53*, National Archives (Washington, D.C.).

TABLE 7 — Major Foreign Loans to the U.S. (1782-1812)

(Amounts in dollars)

<i>Year</i>	<i>Where From</i>	<i>Amount</i>	<i>Interest Rate</i>
1787	Holland	10,000,000	6%
1789	France	18,000,000 (Livre)	5%
1790	Holland	1,200,000	5%
1791	Holland	1,000,000	5%
1791	Holland	2,400,000	5%
1791	Holland	1,200,000	5.5%
1793	Holland	5,000,000 (Guilders)	5%
1794	Holland	1,200,000	5%

Source: "Laws Concerning Money, Banking and Loans 1778-1909," *National Monetary Commission, compiled by A.T. Huntington and Robert H. Mawhinney*, (Washington, D.C., Government Printing Office, 1910).

TABLE 8 — Temporary Bridge Loans (1789-1812)

(Amounts in dollars)

<i>Year</i>	<i>Where From</i>	<i>Amount</i>	<i>Purpose</i>
1789	Bank of New York	170,000	Troop Salaries
1790	Bank of New York	100,000	Troop Salaries
1790	Stock @ 6%, 3% & Deferred 6%	Indefinite	Fund Debt
1792	Bank of the United States	400,000	General Expenses
1793	Bank of the United States	800,000@5%	General Expenses
1793	Bank of New York	200,000@5%	Algerian War
1794	Bank of the United States	1,000,000@5%	Algerian War
1794	Bank of the United States	1,000,000@5%	Public Expenditures
1795	Bank of the United States	2,000,000@5%	General Commerce
1795	Bank of the United States	1,500,000@6%	Public Debt
1795	Bank of the United States	200,000@6%	Public Debt
1795	Stock @ 4-1/4 & 5-1/2%	Indefinite	Pay Foreign Debt
1796	Bank of New York	320,000@6%	Pay Bank of U.S.
1796	Bank of New York	5,000,000@6%	Pay Bank of U.S.
1797	Bank of New York	717,000	War
1800	Bank of the United States	1,500,000@8%	War
1803	Bank of New York	11,250,000	Louisiana Purchase
1803	Bank of the United States	1,750,000	Louisiana Purchase
1804	Bank of the United States	1,000,000	Pay Barbary Pirates
1807	Converted old 3% & 6% Stock	8,500,000	Public Debt
1810	Bank of the United States	2,750,000	General Expenditures

Source: Laws, op cit.

TABLE 9 — War of 1812 Loans

(Amounts in dollars)

<i>Issue Date</i>	<i>Authorized</i>	<i>Amount</i>	<i>Authorized</i>	<i>Rate</i>	<i>Retroactive Discount</i>
<i>Amount</i>	<i>Sold</i>	<i>Rate</i>	<i>Sold</i>		<i>Clause</i>
March 14, 1812	11,000,000	11,000,000	6%	Par	No
February 8, 1813	16,000,000	16,000,000	6%	88-1/3%	No
August 2, 1813	7,500,000	7,500,000	6%	88-1/4%	No
March 24, 1814	25,000,000	21,000,000*	6%	85%	Yes
November 15, 1814	3,000,000	1,500,000	No Limit	Special Contract	Yes
December 26, 1814	10,500,000				Yes
February 24, 1815	15,000,000		7%		
March 3, 1815	18,460,000			95%	Yes

*Includes \$5 million in Treasury notes.

Source: Rafael A. Bayley, "National Loans of the United States from July 14, 1776 to June 30, 1880" (Washington, D.C., Government Printing Office, 1882).

TABLE 10 — Subscription of \$16 Million Loan of February 8, 1813

(Amounts in dollars)

<i>Name</i>	<i>Amount</i>
States East of New York	486,700
State of New York	5,720,000
Philadelphia	6,858,400
Baltimore & the District of Columbia	1,393,300
Virginia	187,000
Charleston, South Carolina	354,000

Source: Davis Rich Dewey, "National Financial History of the United States" (New York, Augustus M. Kelley, 1968).

TABLE 11 — Treasury Note Issues of March 4, 1814 (By issue Date and Loan Office)

Date of Issue	Boston	New York	Philadelphia	Baltimore	Washington	Richmond	Charleston	Savannah	Total
1814									
March 11	----	150,000	----	----	----	----	----	---	150,000
April 1	----	----	----	----	----	----	----	211,000	211,000
April 11	----	----	----	----	56,000	----	----	---	56,000
April 21	----	125,000	5,500	----	144,000	----	----	---	274,500
May 1	----	----	1,000	----	50,000	----	----	75,000	126,000
May 11	----	74,700	145,000	----	----	----	----	---	219,700
May 21	----	----	29,500	----	100,000	----	----	---	129,500
June 1	----	----	6,200	100,000	----	----	----	---	106,200
June 11	----	----	24,500	----	25,000	----	----	---	49,500
June 21	----	25,000	23,000	----	25,000	----	----	---	73,000
July 1	----	149,700	105,400	----	----	----	----	---	255,100
July 11	----	75,000	29,000	----	----	----	----	---	104,000
July 21	----	----	12,700	----	45,000	----	----	---	57,700
Aug. 1	92,000	60,000	510,000	40,000	17,800	----	----	---	719,800
Aug. 11	----	90,000	94,200	----	20,000	----	150,000	---	354,200
Aug. 21	----	----	----	----	2,500	----	----	---	2,500
Sept. 1	----	----	1,600	----	----	----	----	---	1,600
Sept. 11	----	----	----	----	10,000	----	----	---	10,000
Sept. 21	----	40,000	----	----	60,000	----	----	---	100,000
Oct. 11	----	25,000	11,820	----	500,000	----	----	---	536,820
Oct. 21	52,000	238,000	105,000	100,000	1,000	----	----	---	496,000
Nov. 1	150,000	200,000	100,000	----	27,700	----	----	---	477,700
Nov. 11	----	----	130,000	----	15,000	----	----	---	145,000
Nov. 21	12,000	310,280	254,600	5,000	21,700	----	----	---	603,580
Dec. 1	----	853,420	174,060	60,000	14,900	----	----	---	1,102,380
Dec. 11	3,000	50,000	4,060	----	11,100	----	----	---	68,160
Dec. 21	300	23,160	68,000	----	31,180	15,000	----	---	137,640
1815									
Jan. 1	----	387,000	222,240	----	50,460	----	----	---	659,700
Jan. 11	50,000	440,900	81,200	----	34,620	----	----	---	606,720
Jan. 21	----	138,160	34,900	----	65,900	----	----	---	238,960
Feb. 1	----	420,420	1,196,280	11,000	5,100	----	----	---	1,632,800
Feb. 11	----	----	79,200	----	45,900	----	----	---	125,100
Feb. 21	----	----	----	----	18,400	----	----	---	18,400
March 1	----	25,600	1,200	----	82,540	----	----	---	109,340
March 11	----	----	400	----	15,000	----	----	---	15,400
March 21	----	----	11,900	----	----	----	----	---	11,900
April 1	----	----	8,900	----	----	----	----	---	8,900
April 11	----	----	----	----	2,200	----	----	---	2,200
April 21	----	----	----	----	2,000	----	----	---	2,000
June 21	----	----	1,000	----	----	----	----	---	1,000
TOTAL	359,300	3,901,340	3,472,360	316,000	1,500,000	15,000	150,000	286,000	10,000,000

Source: A. J. Dallas, "Report of the Secretary of the Treasury, 1814 and 1815," Reports of the Secretary of the Treasury of the United States, (Washington: Blair and Rives, 1837) Vol. 1, p. 542; Vol. 2, p. 62.

TABLE 12 — Treasury Note Signers

Issue Date	Loan Office	Denominations	Signatures	Countersignatures
June 30, 1812	Philadelphia	All	Timothy Matlock & Charles Biddle	William White (Commissioner of Loans)
March 25, 1813	Philadelphia	All	Timothy Matlock & Samuel Clarke	William White (Commissioner of Loans)
March 4, 1814	Philadelphia	All	Edward Fox & Samuel Clarke	William White (Commissioner of Loans)
December 26, 1814	Philadelphia	\$100 & \$20	Edward Fox & Samuel Clarke	T.D.T. Tucker (Commissioner of Loans)
	Philadelphia	\$20 Notes Only	F.W. McGeary & C.C. Biddle	T.D.T. Tucker (Commissioner of Loans)
February 24, 1815	Philadelphia	Large Notes	Edward Fox & Samuel Clarke	Joseph Nourse (Register of the Treasury)
	Philadelphia	Small Notes	Edward Fox & Samuel Clarke also F.W. McGeary & C.C. Biddle	Joseph Nourse (Register of the Treasury) also James Dickson (Register of the Treasury)

Source: "Register of Treasury Notes," Vol. 189, Record Group 53, National Archives, Washington, DC; "Estimates and Statements 1791-1843," Vol. 132, Record Group 53, National Archives, Washington, DC, and personal observations by the author.

Table 13 -- Treasury Notes Concordance

Friedberg #	Krause #	Hessler #
TN-1	P-2	
TN-2	P-1	X-69
TN-3		
TN-4	P-3	X-72
TN-5		
TN-6a	P-6	X-74C
TN-7	P-4	X-74A
TN-8		
TN-8a	P-9	X-80C
TN-8p	PP-9	
TN-9		
TN-9a	P-7	X-80A
TN-9p	PP-7	
TN-10		
TN-10a		
TN-10p	PP-16	X-85
TN-11		
TN-11a		
TN-11b	P-15	X-83E
TN-11p	PP-15	
TN-12	P-14	X-83D
TN-12a		
TN-12p		
TN-13		
TN-13a	P-12	
TN-14		
TN-14a	P-13	X-83C
TN-14b		
TN-14p	PP-13	
TN-15	P-11	X-83B
TN-15a		
TN-15p	PP-11	
TN-16	P-10	
TN-16a		X-83A
TN-16b		
TN-16p		

TABLE 14 — Treasury Notes Outstanding

Issue Date	Official Redemption Date	Last Payment	Amount Outstanding	Known Notes*
June 30, 1812	12/31/1814	9/20/1820	100	\$1,000 A; unsigned remainder (3) \$100 A; unsigned remainder (2) \$100 B; unsigned remainder (2) \$100 D; unsigned remainder
February 25, 1813	3/31/1815	12/26/1820	900	None
March 4, 1814	6/21/1816	1837	43,160	\$100 C; dated 1/15/15; double signed remainder (2) \$100 D; dated 1/15/15; double signed remainder (2)
December 26, 1814	9/1/1816	9/30/1841	41,030	\$100 A; signed Samuel Aiken and Everate, no countersignature \$100 A; dated 2/11/1815, unsigned remainder \$100 A; undated, double signed remainder \$100 B; unsigned remainder, hole cancelled \$100 B; punched cancelled proof \$100 C; double signed remainder \$100 D; punched cancelled proof \$100 D; undated, punched cancelled \$100 D; double signed remainder \$20 A; punched cancelled proof (2) \$20 A; double signed remainder McGeary & Biddle (4) \$20 B; double signed remainder McGeary & Biddle (2) \$20 B; punched cancelled proof (2) \$20 E; unsigned remainder \$20 E; double signed remainder Clarke & Fox \$20E/F; double signed remainder Clarke & Fox, uncut pair \$20 H; double signed remainder McGeary & Biddle (2)
February 24, 1815 Large Notes**	1/1/1842			\$100 A; unsigned remainder (2) \$100 B; unsigned remainder (2) \$100 C; unsigned remainder (2) \$100 A,B,C; punched cancelled proof sheet of 3
February 24, 1815 Small Notes***		3/31/1842	2,061	\$50 A; fully signed McGeary & Biddle and countersignature Nourse, hole cancelled (10) \$50 A; singly signed Clarke \$50 B; singly signed Clarke \$50 C; singly signed Clarke \$50 D; singly signed Clarke \$50 A,B,C; punched cancelled proof sheet of 3 \$20 A; unsigned remainder (2) \$20 B; unsigned remainder (2) \$20 B; incomplete proof with 9 holes, no denomination at left edge \$20 C; unsigned remainder (2) \$20 D; unsigned remainder \$20 D; proof with 9 holes \$20 E; proof with 9 holes \$10 Type I A-D (text printed at right) \$10 A; double signed remainder McGeary & Biddle (2) \$10 B; double signed remainder McGeary & Biddle \$10 C; double signed remainder McGeary & Biddle \$10 D; double signed remainder McGeary & Biddle

TREASURY NOTES OUTSTANDING (continued)

Issue Date	Official Redemption Date	Last Payment	Amount Outstanding	Known Notes*
February 24, 1815 Small Notes*** (Continued)				<p>\$10 Type II E-H (no text printed at right)</p> <p>\$10 E; double signed remainder Clarke & Fox (4)</p> <p>\$10 E,F,G; punched hole cancelled proof sheet of 3</p> <p>\$10 F; double signed remainder Clarke & Fox (6)</p> <p>\$10 F,G,H; double signed remainder Clarke & Fox, uncut sheet of 3</p> <p>\$10 G; unsigned remainder</p> <p>\$10 G; double signed remainder Clarke & Fox (4)</p> <p>\$10 G/H; double signed Clark & Fox, uncut pair</p> <p>\$10 H; unsigned remainder</p> <p>\$10 H; double signed Clarke & Fox (5)</p> <p>\$10 H; double signed Clarke & Fox, countersignature "John C. Calhoun" (suspect)</p> <p>\$10 H; fully signed Clarke & Fox, countersignature James Dickson, dated 3/25/15, uncanceled</p> <p>\$5 A; unsigned remainder</p> <p>\$5 B; unsigned remainder (2)</p> <p>\$5 B,C,D; double signed McGeary & Biddle, uncut strip of 3 (2)</p> <p>\$5 C; unsigned remainder</p> <p>\$5 D; unsigned remainder (4)</p> <p>\$5 E; unsigned remainder proof, punched cancelled</p> <p>\$5 uncut pair Ex: ANA '52</p> <p>\$5 B,C,D; uncut strip of three remainders, cross cancelled</p> <p>\$5 F,G,H; uncut sheet of three unsigned remainders proof, punched cancelled</p> <p>\$3 A; fully signed McGeary & Biddle, uncanceled (REPORTED)</p> <p>\$3 A; unsigned remainder (2)</p> <p>\$3 A; double signed remainder McGeary & Biddle</p> <p>\$3 A,B,C,D; unsigned remainders, uncut sheet of 4</p> <p>\$3 B; unsigned remainder</p> <p>\$3 B; double signed remainder McGeary & Biddle</p> <p>\$3 C; unsigned remainder</p> <p>\$3 D; unsigned remainder (2)</p> <p>\$3 D; double signed remainder McGeary & Biddle (2)</p> <p>\$3 D; fully signed McGeary & Biddle, countersignature Joseph Nourse, uncanceled</p>

* All but two known notes are either Proofs, lack countersignatures, or are cancelled

** All known Large size notes of the 2/24/1815 issue are dated 2/24/1815

*** All known Small Size notes of the 2/24/1815 issue are dated 3/25/1815

TABLE 15 — Treasury Note Populations & Values*

Issue Date: June 30, 1812					
Denomination		TN#	Known	Value VF	Value New
\$1,000	Unsigned	1	3	\$20,000	\$30,000
\$100	Unsigned	2	5	\$15,000	\$25,000
Issue Date: February 25, 1813					
Denomination		TN#	Known	Value VF	Value New
\$1,000		3	0		
\$100		4	0		
Issue Date: March 4, 1814					
Denomination		TN#	Known	Value VF	Value New
\$1,000		5	0		
\$100	Double signature remainder	6a	4	\$20,000	\$30,000
\$200		7	0		
Issue Date: December 26, 1814					
Denomination		TN#	Known	Value VF	Value New
\$100	Unsigned remainder	8	1	\$20,000	\$25,000
\$100	Double signature remainder & cancelled	8a	3	\$12,500	\$17,500
\$100	Proof, holed cancelled	8p	2	\$12,500	\$17,500
\$20	Unsigned remainder	9	1	\$8,000	\$12,500
\$20	Double signature remainder	9a	11	\$8,000	\$12,500
\$20	Proof, holed cancelled	9p	4	\$7,000	\$10,000
Issue Date: February 24, 1815					
Denomination		TN#	Known	Value VF	Value New
\$100	Unsigned remainder	10	6	\$8,000	\$12,500
\$100	Double signature remainder	10a	0		
\$100	Proof, holed cancelled	10p	4	\$8,000	\$12,500
\$50	Unsigned remainder	11	0		
\$50	Singly signed remainder	11a	4	\$7,000	\$10,000
\$50	Fully signed & cancelled	11b	10	\$6,000	\$9,000
\$50	Proof, holed cancelled	11p	3	\$8,000	\$12,500
\$20	Unsigned remainder	12	7	\$6,500	\$10,000
\$20	Double signature remainder	12a	0		
\$20	Proof, holed cancelled	12p	3	\$7,000	\$10,000
\$10	text at right Unsigned remainder	13	0		
\$10	text at right Double signature remainder	13a	5	\$7,000	\$10,000
\$10	no text at right Unsigned remainder	14	2	\$6,000	\$9,000
\$10	no text at right Double signature remainder	14a	26	\$5,000	\$7,500
\$10	No text at right, fully signed, uncanceled	14b	1	\$85,000	--
\$10	no text at right Proof, holed cancelled	14p	3	\$7,000	\$11,500
\$5	Unsigned remainder	15	13	\$5,000	\$7,500
\$5	Double signature remainder	15a	6	\$7,000	\$12,500
\$5	Proof, holed cancelled	15p	4	\$8,000	\$15,000
\$3	Unsigned remainder	16	10	\$5,500	\$8,000
\$3	Double signature remainder	16a	4	\$7,000	\$11,500
\$3	Fully signed & uncanceled	16b	1	\$85,000	--
\$3	Proof	16p	0		

*Numbers are based on the upcoming 18th edition of *Paper Money of the United States*, Arthur L. and Ira S. Friedberg, the Coin & Currency Institute. "a" designations denote partially signed remainder; "b" fully signed notes; and "p" proofs. No designation denotes unsigned remainders.

Endnotes

- ¹*Laws of the United States Concerning Money, Banking, Loans, 1778-1909*, National Monetary Commission, compiled by Andrew T. Huntington and Robert J. Mawhinney, Doc. No. 480, Senate -61st Congress, 2nd Session (Washington, D.C., 1910), pp. 29-43.
- ²Albert Gallatin, "Report of the Finances 1807," *Reports of the Secretary of the Treasury of the United States*, Vol. I (Washington, D.C., 1837), p. 359, and A. J. Dallas, "Report of the Finances 1815," *Reports*, 2:45.
- ³Foreign coins officially circulated from 1793 until 1797, when a new law declared that only "Spanish milled dollars and parts thereof" were legal tender. This statute remained in effect until 1857.
- ⁴Alexander Balinky, *Albert Gallatin, Fiscal Theories and Policies* (New Brunswick, 1958), pp. 180-88 and Albert Gallatin, "Report of the Finances 1809," *Reports*, p. 401. Also see "Report of the Finances 1811," *Reports*, p. 449.
- ⁵*Idem.*, "Report of the Secretary of the Treasury, 1811," *Reports*, p. 449. Also in the *Niles Weekly Register*, November 22, 1811 (Washington, D.C.), 2:232. In a letter to the Chairman of the House Ways and Means Committee, Ezekiel Bacon, Gallatin blames the poor state of the finance on the failure of Congress to recharter the Bank of the United States, upon which he had relied heavily for the U.S. government to obtain loans, and also for the Legislature's refusal to double the tariff. Albert Gallatin, "Letter to Ezekiel Bacon, January 10, 1812," *The Writings of Albert Gallatin*, ed. Henry Adams, Vol. I (New York, 1960), pp. 338-40.
- ⁶*Ibid.* p. 448.
- ⁷Albert Gallatin, *The Writings of Albert Gallatin*, ed. Henry Adams, 4 Vols. (Philadelphia, 1879), Vol. III, p. 5.
- ⁸Ezekiel Bacon, "Ways and Means Report of House, February 17, 1812," *American State Papers, Finance*, U.S. Congress, ed. Walter Lowrie, Vol. II (Washington, D.C., 1832), p. 539.
- ⁹Rafael A. Bayley, *National Loans of the United States from July 14, 1776 to June 30, 1880* (Washington, D.C., 1882), p. 48, and Henry Carter Adams, *Public Debts: An Essay in the Science of Finance* (New York; Privately printed, 1887), pp. 117-18.
- ¹⁰Albert Gallatin, "Letter to John W. Eppes, February 25, 1810," *Writings*, II: 467-468.
- ¹¹*Idem.*, "Letter to Ezekiel Bacon, January 10, 1812," *Writing*, U: 501. Also in *Letter from the Chairman of the Committee of Ways and Means to the Secretary of the Treasury with the Answer of the Secretary of the Treasury* (Alexandria, 1812), p. 14. Rare Book Room, National Archives, Washington, D.C.
- ¹²Letter to Langdon Cheves, May 14, 1812, cited by John J. Knox, *United States Notes* (New York iR4R) n 77.
- ¹³*The Niles Weekly Register*, June 15, 1812, 2:279.
- ¹⁴*Annals of the Congress of the United States 12th Congress*, 1st Session, Vol. I (Washington, D.C., 1853) p. 1495-1510.
- ¹⁵*Ibid.* Also *The Niles Weekly Register*, June 13, 1812, 3:300.
- ¹⁶*Ibid.* PP. 1509-10.
- ¹⁷Bayley, *National Loans*, pp. 48-49. Other major elements provided that 1) the notes were signed by persons designated by the President who were paid \$1.25 for every note signed, 2) they were countersigned by the Comptroller of Loans for the state for which the notes were made payable, 3) the Secretary of the Treasury was authorized to borrow upon the security of the notes and pay them to the banks which would receive them at par, 4) interest ceased on the day of payment, and 5) strict penalties were imposed for counterfeiting.
- ¹⁸*Niles Weekly Register*, 3:350. Also see *Richmond Inquirer*, February 16, 1814, 2:2. The Treasury Reports, however, state that only \$2.8 million were subscribed to by 1813. Davis R. Dewey, *Financial History of the United States* (New York, 1968), p. 137.
- ¹⁹Register of Treasury Notes, Vol. 189, *Record Group 53*, National Archives (Washington, D.C.). Breen erroneously claims March 1813 as the final date of redemption.
- ²⁰Albert Gallatin, "State of Finance, December 1812," *Finance*, II:580.
- ²¹*Niles Weekly Register* (July 4, 1812), 3:300. It should be noted that, as Walter Breen pointed out, the *Register* had a bias toward Wall Street. Walter Breen, "Promises, Promises," *Numismatic News Weekly*, January 1, 1974.
- ²²A. J. Dallas, "Letter to William Lowndes, November 27, 1814," *Reports*, 1:244.
- ²³*Ibid.*
- ²⁴*Niles Weekly Register* (July 4, 1812), 3:300.
- ²⁵Richard H. Timberlake, *Origins of Central Banking in the United States* (Cambridge, Massachusetts, 1978). Drawing upon statistical information compiled from J. Van Fenstermaker, *A Statistical Summary of the Commercial Banks Incorporated in the United States Prior to 1819* (Kent, Ohio, 1965), Timberlake concluded that "as banks increased their holdings of treasury notes, their own note issues could increase by multiples of the treasury note's obtained. Bank notes were thus used as hand-to-hand currency, and the Treasury notes were used mainly as bank reserves in lieu of specie."
- ²⁶"Receipts and Expenditures, from March 4, 1789 to December 15, 1815," *Finance*, 11:920.
- ²⁷James Madison, "Fourth Annual Message, November 4, 1812," *Compilation of Messages and Papers of the President's 1789-1897*, Vol. I.
- ²⁸Bayley, *National Loans*, p. 50.
- ²⁹Gallatin, *Writings*, p. 196.
- ³⁰William Jones, "State of Finance, June 1813," *Finances*, II: 1622-23.
- ³¹Bayley, *National Loans*, p. 50.
- ³²Albert Gallatin, "Report of the Secretary of the Treasury December 11, 1812," *Reports*, p. 469.
- ³³Bayley, *National Loans*, p. 50.
- ³⁴W. F. DeKnight, *History of the Currency of the Country and the Loans of the United States* (Washington, D.C., 1897), p. 47.
- ³⁵*Messages and Papers of the Presidents*, pp. 528-30. The direct tax amounted to \$3 million and was assessed in 1814. For a useful table on these taxes, see Dewey, *Financial History*, p. 140.
- ³⁶Gallatin, *Writings*, p. 201.
- ³⁷Estimated expenditures at \$43,350,000 and revenue at \$16,000,000. William Jones, "State of Finance", *Finance*, 2:651.
- ³⁸Bayley, *National Loans*, p. 52.
- ³⁹*The Richmond Inquirer* (May 7, 1814), 3:2, reported that by May 7, \$10 million at 88 percent had been subscribed. In his report on Finances in December 1814, Dallas mentioned that proposals were invited on August 22, 1814 for \$6 million at 6 percent; of this only \$2,823,300 was subscribed; \$100,000 at less than 80 percent; \$2,213,000 at 80 percent; \$510,300 at 80-88 percent. All but the \$100,000 were accepted because there was no prospect of better terms and the money was indispensable. \$410,000 of these contracts was reneged on by the banks. Special contracts for loans with the banks were unsuccessful. "Report on Finances December 1814," *Reports*, p. 528.
- ⁴⁰William Jones, "Report of Finance, December, 1813," *Reports*, p. 502. There is no corroborating evidence that an annual issuance of \$5,000,000 was ever authorized.
- ⁴¹Bayley, *National Loans*, p. 52.
- ⁴²"Estimates and Statements by the Registrar of the Treasury," Vol. 145. General Records from the Central Treasury Records, Records of the Bureau of the Public Debt, *Record Group 53*, p. 24.
- ⁴³John W. Eppes, "Letter to Secretary of the Treasury Dallas, October 14, 1814," *Reports*, p.234.
- ⁴⁴A. J. Dallas, "Letter to John Eppes, October 17, 1814," *Reports*, pp. 234-36.
- ⁴⁵*Ibid.*, p. 236 and p. 266; also in *Niles Weekly Register* (Dec. 24, 1814).
- ⁴⁶*Niles Weekly Register* (Dec. 24, 1814).
- ⁴⁷*Idem.*, "Report of the Secretary of the Treasury, November, 1815," *Reports*, 11: 13.
- ⁴⁸Bayley, *National Loans*, p. 56.
- ⁴⁹*Ibid.*, p. 57.
- ⁵⁰Albert Gallatin, "Letter to Monroe, October 26, 1814," *Writings*, 1:642.
- ⁵¹"Report by John W. Eppes, October 10, 1814," in John Jay Knox, *United States Notes* (New York, 1884), p. 32.
- ⁵²*Niles Weekly Register* (Dec. 2, 1814), 8:266.
- ⁵³A. J. Dallas, "Report on the Finances, December, 1814," *Reports*, p. 529.
- ⁵⁴*Annals*, 13:3 (Nov. 12, 1814), P. 557.
- ⁵⁵*Ibid.*, p. 559.
- ⁵⁶*Annals*, 13:3 (Jan. 7, 1815), p. 1045. Also in the *Richmond Inquirer* (Jan. 11, 1815), 2:3.
- ⁵⁷A. J. Dallas, State of the Treasury Report, (Jan. 21, 1815), pp. 885-888.
- ⁵⁸
- ⁵⁹A. J. Dallas. "Letter to John Eppes. February 20, 1815." *Reports*, pp. 273-75.
- ⁶⁰William H. Crawford, "Report of the Treasurer," *Reports*, p. 125. The first known transaction in small Treasury notes was \$150,000 ordered by Johnathan Smith, Cashier of the Bank of Pennsylvania on June 28, 1815. "Domestic Letters 1814-1816," Vol. I, *Record Group 53*, Archives (Washington, D.C.), p. 108.
- ⁶¹Knox, *United States Notes*, p. 37.
- ⁶²A. J. Dallas, "Report on the Finances, December, 1815," *Reports*, pp. 24-25.
- ⁶³James Madison, "Veto Message, January 30, 1815," *Compilation*, Vol. I, p. 556.
- ⁶⁴*Richmond Examiner* (Dec. 31, 1814), 3:2 & 3.
- ⁶⁵Report in the *Niles Weekly Register*, 7:3361.
- ⁶⁶Breen, in *Numismatic News Weekly*, January 15, 1974, p. 34; and Knox, *United States Notes*, p. 38. Knox makes the additional statement that "after deducting discounts and depreciation," the notes were rapidly funded after December 1814.

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Second SPMC Author's Forum Whopping Success

THE SOCIETY'S 2ND AUTHOR'S FORUM HELD June 17th at the Memphis paper money show was a "rousing success." The event was hosted by SPMC Librarian Bob Schreiner and *Paper Money*.

Featured speakers were SPMC member-authors Pierre Fricke, Gene Hessler, Fred Reed, Wendell Wolka, Art Friedberg, Dennis Schafluetzel, Tom Carson, in addition to Bob Schreiner, himself.

The event was held at the Memphis Marriott Heritage Ballroom. This year's forum was two hours in length. Last year the program was an hour long. Schreiner said the program was lengthened because time restrictions last year were too constraining. He viewed the extended program as very successful, and indicated that another similar program would be held at Memphis next year (see Librarian's column on page 398).

The spirits of author/publisher and colonial bank note printer Benjam Franklin and bard William Shakespeare hung over this year's event. A special invitation/brochure for the event featured a doctored Franklin Bank note depicting Poor Richard and the play write. "If you would not be forgotten, as soon as you are dead & rotten, either write things worth reading, or do things worth the writing." -- Poor Rich (Benjamin Franklin, currency engraver & printer) said.

SPMC thanks Mary Counts and Whitman Publications, and Art Friedberg and The Coin and Currency Institute, for supplying books, and Mike Crabb and the Memphis Paper Money Show for supplying our meeting room and refreshments.

A welcome and opening remarks were offered by event moderator Schreiner, who also introduced a special project that he has been working on to record the Society's journal *Paper Money* in searchable PDF CD format. He brought the first phase of that project to the affair, "The 1980s," all 2760 pages of the journal on a single CD and estimated the entire run of 240 magazines (11,000 pages) would take only three or four CDs total.

Bob's interest in paper money and passion for computers and imaging technology merges in his multiple roles for SPMC. This led him to embark on his current CD project: converting once paper-bound information which was difficult to find into a form readily and inexpensively usable by hobbyists, historians, and researchers.

Paper Money embodies 11,000 pages of quality research not easily accessible, Schreiner indicated, but can become available to all scholars in convenient, cost-effective

and searchable form. "When this project is done a shelf full of magazines will be available on 3/4 CDs giving researchers inexpensive and very powerful access to and control of information," he said. The Society Board will determine how best to disseminate/distribute this data.

The second speaker was New York collector Pierre Fricke, author of a forthcoming book *Collecting Confederate Paper Money - Comprehensive Edition* (R.M. Smythe, 2005).

Pierre began collecting coins in 1969. After participating in Civil War re-enactments in the late 1990s, his focus shifted to CSA paper money and bonds. In 2003, he picked up Dr. Douglas Ball's unfinished work on a new Confederate paper money book. This is designed to help one get started and advance his/her collection and knowledge. Information ranges from great collections to different ways to approach collecting CSA notes, through grading guidance.

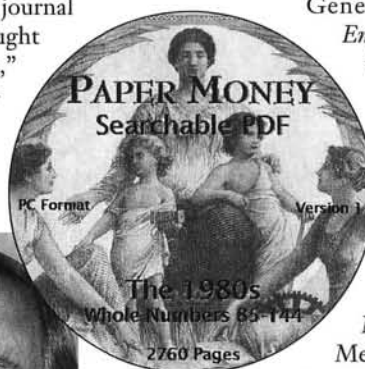
"Building on Dr. Ball's research as well as my own, I present information

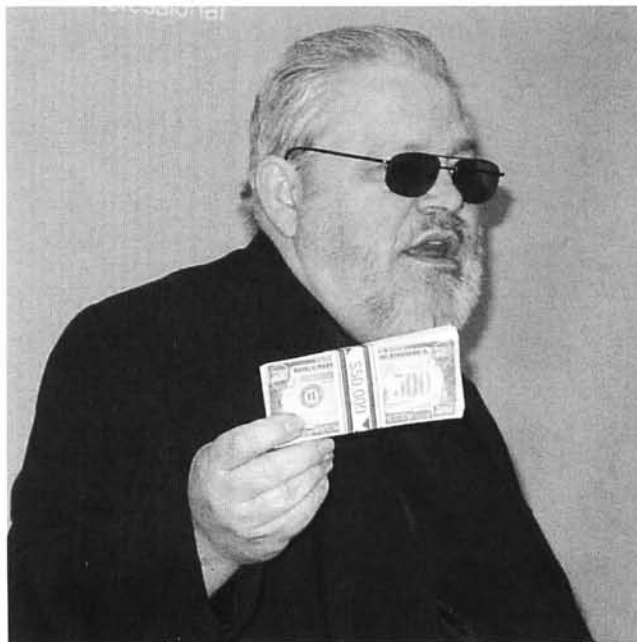
on condition census of type and rare varieties, rare CSA note provenance, missing significant varieties and a much easier to use attribution guidance and pictures. The book is designed to give collectors the knowledge to make good purchases and to advance his or her collection" according to its author.

Next up was former *Paper Money* Editor Gene Hessler, whose *The International Engraver's Line* (self-published, 2005) will debut later this year. Gene has written five books and 350 magazine articles including columns for *Coin World* and the *Numismatist*. He is listed in various editions of *Who's Who in the Midwest*, *America* and the *World*. Hessler was curator of the money museums of The Chase Manhattan Bank Money Museum and the St. Louis Mercantile Bank. He is a retired musician.

The International Engraver's Line documents the lives and work of men and women engravers throughout the world. "There are approximately 1,000 entries with over 700 illustrations.

Bob Schreiner wears multiple hats for the Society and is very interested in applying technology solutions to information problems. His current project is converting our journal to CD form.





tions, most of them in color. With computer programs now replacing hand engraving, this book will be document to an era that is coming to an end," Hessler said. This book is a companion to a previous similarly entitled work, *The Engraver's Line* (BNR Press, 1993), which provided similar coverage for intaglio engravers whose work was primarily in the U.S.

Current *Paper Money* Editor Fred Reed explained his new book *Show Me the Money! The Standard Catalog of Motion Picture, Television, Stage and Advertising Prop Money* (McFarland, 2005). He explained that he did the book "for the sheer fun of it. Collecting should be for fun. Hobbies should take one away from the day to day humdrum and problems. Movie money and the stories they tell are fun."

In addition to his work on *Paper Money*, Reed is Confederate columnist for *Bank Note Reporter* and a weekly columnist for *Coin World*. He previously was a staff writer and News Editor for *Coin World*, and Vice President Publishing at Beckett Publications. Reed is owner of enthusiast-media.com Ltd., a specialty niche publishing venture.

Show Me the Money! is Fred's fourth numismatic title. Additionally, he has penned an underground novel, and edited dozens of books ranging from sports personalities to commemorative coins to mental disorders. "*Show Me the Money!* is the first book of its kind to cross over between popular entertainment and numismatics," its author said. Based on insider information and research, it chronicles 1000+ films, catalogs nearly 300 types of prop notes (1,800 varieties) with 2,071 illustrations and index.

Speaker five Wendell Wolka, author of *A History of Nineteenth Century Ohio Obsolete Bank Notes and Scrip* (SPMC, 2004) told how even a monster book like his could be readily kept current by means of CD updates.

Wendell has been collecting something for nearly 50 years. His present passions are Ohio obsolete paper money and scrip, Ohio small size nationals, and lots of other "stuff" ranging from Bank of Canada notes to wire service photos of commercial airline disasters. Wendell writes several numismatic columns and has written numerous articles and several books, including the SPMC volume for Indiana.

Wolka's current project is a 2005 update of his 2004 Ohio book. The update will be offered as a CD, incorporating corrections, additions, and new discoveries made since the book's publication in July, 2004. "The CD offers low cost and the ability to provide full color illustrations, with plenty of space for information that simply would not fit into the book" Wolka said.

Arthur Friedberg, co-editor with his brother Ira, of the standard *Paper Money of the United States* (Coin & Currency Institute, 17th ed., 2004) and *A Guidebook of U.S. Paper Money* (Whitman, 2005) told of future plans to meet the expected growth in the paper money collecting hobby.

Art is the first American president of the International Association of Professional Numismatists (IAPN). He is an ANA LM and a member of PNG. With brother Ira, he has co-authored revisions of *Gold Coins of the World* (now the 7th edition) as well as *PMUS* (now the 17th). The brothers are also involved with the new Whitman paper money book, and

At left (top to bottom) Pierre Fricke, Gene Hessler and Fred Reed make their points for their new books at the SPMC Author's Forum June 17th during the Memphis paper money show.



Forum speakers Dennis Schafluetzel (left) and Wendell Wolka (right) shared their current projects with the authors' forum audience. Both happen to be involved in electronic book projects because this technology promises vast storage of information which is inexpensive and easy to update. Below, speaker Art Friedberg (right) autographs a copy of *PMUS* for another presenter Tom Carson. (Photos courtesy Whitman Publications and Bob Schreiner)

will contribute pricing to *Coin World's Paper Money Values* magazine (see separate articles).

In 1993 Friedberg was awarded IAPN's Book Prize for *Gold Coins of the World*. He also received ANA's Medal of Merit (1992), its 1st place Heath Literary Award (1994) and the Swiss Vrenelli Prize (1999) for "outstanding contributions to numismatics." "What does the future hold? With a new approach to grading possible, ever rising prices for most popular/desirable notes, and so many new diversions, what can be done to provide basis for growth and new collectors?" Friedberg asked, and recounted recent initiatives along these lines.

Closing out the presentations were the duo of Dennis Schafluetzel and Tom Carson. As readers of this journal know, their *Tennessee Merchant Paper Scrip* (e-Book, 2005) is underway. Last year the duo also partnered to produce *Chattanooga's Money* written in HTML imported into Adobe Acrobat to use on web site or CD e-book. The work featured 1,000+ color images. "It was researched, written and published in 12 months; that work had seven CD updates in its first sales year," Carson noted.

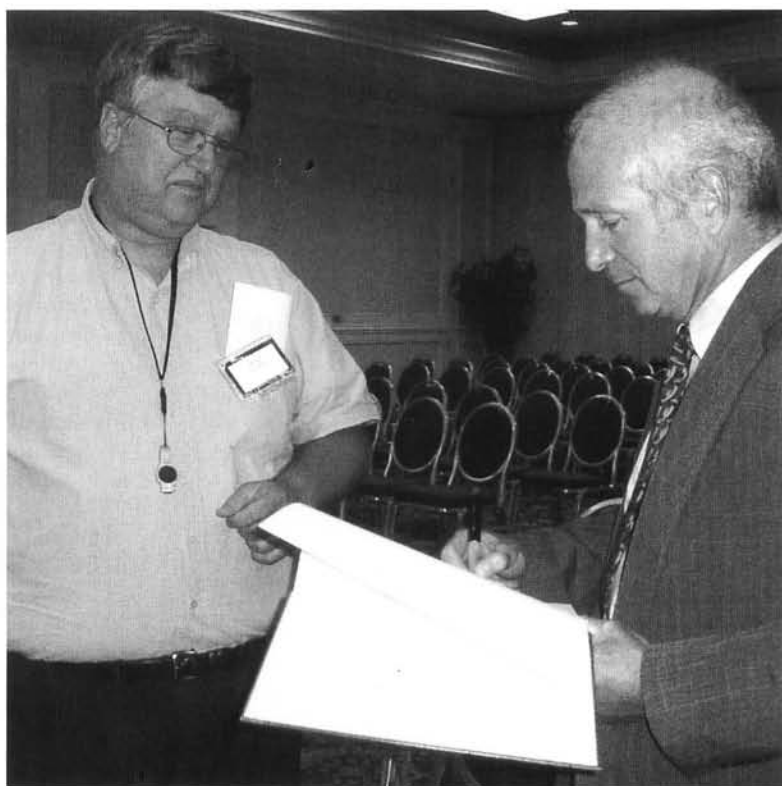
Schafluetzel began collecting coins in 1954 and switched to paper in 1996. He is VP of TSNS and president of GNA with articles in *Paper Money*, *Numismatist*, *GNA Journal* and *Tenn Coin*. Tom is an engineer turned Adobe Acrobat expert. He has collected Chattanooga items intensively for 25 years.

A draft, of Tom's and Dennis' *Tennessee Merchant Paper Scrip* (2005) with 400+ unlisted TN merchant notes is at <http://www.oldnote.org/tennesseescrip/> (password = SPMC6000). They solicit additional TN scrip and information for the work.

Following the presentations, a short question and answer session preceded a "meet and greet" which closed out the show.

With all the current publication projects SPMC authors are working on next year's forum could be the best yet, forum sponsors claim. SPMC is at the forefront in numismatic publishing and intends to remain committed to serving the hobby. So stay tuned for announcements on next year's event.

-- Fred Reed ♦



New Officers, Board members Highlight Memphis

SPMC Memphis 2005 Board Meeting Minutes
Meeting date June 18, 2005

Present: Mark Anderson, Benny Bolin, Frank Clark, Bob Cochran, Rob Kravitz (for part), Gene Hessler, Ron Horstman, Arri Jacob (for part), Tom Minerley, Bob Moon, Judith Murphy, Fred Reed, Bob Schreiner. Appointed non-Board member: Wendell Wolka. Visitors: David Boitnott, Wes Duran, Robert Vlack.

The meeting was presided over by President Ron Horstman.

The minutes from the November St. Louis meeting were approved.

We heard a presentation from Robert Vlack asking us to re-issue a revision of his book on ad notes. He has considerable new material, including some 800 Confederate facsimile advertising notes that might be incorporated. He left President Horstman with a detailed proposal. In the following discussion, in order for SPMC to proceed, we would need a letter of understanding from the current publisher, R.M. Smythe. Who will actually produce the printable manuscript? There was concern about including the Schingoethe material, expected to come up for sale soon. It was noted that this would not be a Wismer project. President Horstman said he would speak with someone at Smythe about the feasibility of transferring this to SPMC.

Officer Reports

President's report (Ron Horstman). This is in his last *Paper Money* column.

Vice President's report (Benny Bolin). No report (but see his reports for Education and Awards Committees).

Treasurer's report (Mark Anderson). He provided a detailed separate report. Our financial situation is about the same as last year at this time. Life membership balance is up a little. Investments have done slightly better, but are still flat. The Breakfast this year took in \$1,472 in ticket sales and \$1,065 in raffle ticket sales, together these result in a small profit.

Secretary's report (Bob Schreiner). He provided a separate report. We have 1,568 members; there were 1,511 last

year.

Appointee Reports

Regional meetings (Judith Murphy). There were sessions at Pittsburgh ANA, FUN, and Kansas City. There will be a meeting at the San Francisco ANA. Murphy and Wendell Wolka, who together conduct most of these sessions, have asked for a per diem consideration, perhaps 10-60% of actual travel costs. They were asked to develop a proposal and budget related to this and submit it to the president for distribution/consideration by the entire board via email.

Library (Bob Schreiner). Reported that the library continues pretty much as last year. He bought or was given about 20 books, and loaned fewer. Demand for photocopies of *Paper Money* articles continues steadily, although not a big demand. He noted that he has digitized all 1980s copies of *Paper Money* and circulated these on one CD to Board members as an example of what can be done.

Web Site (Bob Schreiner). The SPMC web is being maintained, but there have been no major changes.

Advertising manager (Wendell Wolka). Advertising has increased to some extent and is helping to pay for the additional pages for our special issues and overall increased number of pages per year of *Paper Money*. While advertising revenue is an important component of the *Paper Money* budget, we still depend on member dues to provide the service.

Wismer Project (Bob Cochran). Cochran reported a possible Florida book from Ron Benice. There was discussion of a possible 1812 book from Forrest Daniel. There was one comment that the appearance of this material as a book is unlikely.

Membership (Frank Clark). He provided a separate report. The SPMC web continues to be the biggest recruiter, followed by Tom Denly, Wendell Wolka, Frank Clark, and Fred Reed. Over the last year, we have added 231 members. This number includes new members, reinstatements, and people who originally join as life members.

***Paper Money* Publisher/Editor report (Fred Reed).** The volume of manuscripts continues, although the page increase in *Paper Money* has absorbed much of the backlog. The wait time to publication is now much more acceptable. Bolin asked that the meeting minutes be printed more quickly. He also asked to include more information about regional meetings. Can we consider publishing some articles on the web?

Awards Committee (Wendell Wolka). We are in a transition period to adopting the new awards scheme. There are now many more awards, some two dozen, and that adds cost, about \$1,500/year. Wendell, after long service as awards chairman, has asked to be relieved of this duty. The President will seek a new awards chair person. Bolin added that he took part of the Awards Committee responsibility, names for the Wismer, Founder's and Gold awards.

Education Committee (Benny Bolin). He provided a separate report. The committee approved two research awards to Peter Huntoon (National bank notes), one to William McNease (MPC), and one to Larry Falater. Proposals have been received from Neil Shafer, Gene Hessler, Alec Pandaleon, and Peter Huntoon. No Maverick Cards were awarded over the last year.

SPMC 6000 Committee (Bob Cochran). Cochran has been active in pursuing non-renewers, resulting in a smaller



John Wilson and Wendell Wolka at the Tom Bain Raffle.



SPMC breakfast-Tom Bain Raffle emcee Wendell Wolka (left) warms the crowd with his easy-going manner and quips. Board member Bob Cochran is rapt attention by the proceedings.

member loss this year than last. He noted that many paper money dealers are not members. We tried advertising in the American Philatelic Society Journal with little success. The *Bank Note Reporter* ad has brought in about 10 members over several months. Should we add 3-5 year membership deals?

Election of Board members. Bob Moon, substituting for Election Chairman Tom Minerley, reported that Bob Cochran, Gene Hessler, Tom Minerley, and Jamie Yakes were elected. There were 153 ballots (154 last year).

Old Business

Election of Officers. The SPMC Board elects officers. President Horstman said he would not run for re-election. Nominations included Benny Bolin, president; Mark Anderson, vice president; Bob Schreiner, secretary; and Bob Moon, treasurer. All were elected. The new treasurer will seek bonding, as required by the bylaws.

Board resignation and appointment. Bob Moon announced that he would resign as a Board member but continue as treasurer. His resignation was accepted. Board candidate Wes Duran was appointed to fill Moon's remaining term (2 years). Duran accepted.

Financial matters. There was discussion about adding a second person as check signer. It was moved by Bolin and seconded by Minerley that the secretary should be the second signer. Motion passed. During the transition to the new treasurer, Anderson will continue to write checks. We also need an audit committee. New Board member Duran noted that he is an experienced auditor. Anderson also reported that he was working on establishing a more formal financial arrangement with the Publisher/Editor of *Paper Money*. Anderson also produced a separate document that outlined backup and redundancy procedures for critical documents such as financial records, *Paper Money* files, and membership records.

1929 Project (Arri Jacobs). He raised again the issue of dropping this project. Should we offer the material to author(s) known to be working on this subject? A motion was made by Schreiner, seconded by Cochran: SPMC will drop

the project and offer the data to anyone on a non-exclusive basis for the cost of copying the material. SPMC retains the original material. Jacobs has the material and will send it to the library. Motion passed.

Awards. There are matters unresolved with respect to the physical awards for the new awards. Did we ever decide on a final design for the Founder's Award? What is the cost from Medallion Arts for the proposed plaque for the Founder's Award? We recalled it was about \$40-50 each in quantity 20, but Reed will check. Reed and the head of the Awards Committee will clarify this and other details. We also need to determine the physical Awards of Merit. For the literary awards (6 categories, first and second), Wolka suggested something that can be used, such as clocks. The new member recruitment award, Blanchard award, and best exhibit in show are all physically the same. We intend to keep like awards about the same across all awards.

Memberships as gifts. We discussed providing major advertisers with bulk memberships that they could use with their customers. They would be for one year and then renewable the usual way. We can start by giving 10. We also discussed permitting auction houses and other third parties to purchase bulk memberships as gifts to clients. The latter was already adopted as a part of the Modest Proposal. The former was moved by Anderson, seconded by Schreiner. Motion passed.

New Business

Slabbing. President Horstman circulated examples of slabbed (commercially graded and sealed) paper money.

Bylaws. Copies of the current bylaws were distributed to Board members.

Other. There were calls for congratulations and honors for outgoing President Horstman, incoming President Bolin, and past President Clark, who now rotates off the Board. Unanimously supported by the Board.

President Horstman adjourned the meeting at 11:00 a.m.

Respectfully submitted, Bob Schreiner, Secretary



SPMC Honors 2005 Award Winners

Judith Murphy receives Lifetime Achievement Nod

LITERARY, SERVICE AND EXHIBIT AWARDS highlighted SPMC activities at the recent Memphis show.

The Society of Paper Money Collectors continues to place great importance on recognizing the efforts of writers, researchers, exhibitors, and persons willing to serve both the hobby in general and the Society in particular. Many times, the efforts of these people are overlooked, and the Society's awards program is one way in which it attempts to provide such recognition.

As part of our on-going SPMC 6000 program to improve member services, awards were "kicked up a notch" this year, the Awards Committee acknowledged.

The following awards were presented by the Society.

Nathan Gold Memorial Lifetime Achievement Award

Established and formerly presented (1961-1970) by *Numismatic News*, now by the *Bank Note Reporter*/SPMC. Presented to a person(s) who has made a continuing contribution toward the advancement of paper money collecting over a period of years. This year's winner was Judith Murphy, former President of SPMC and member of the Board of Governors, who continues to serve the Society in a number of ways including heading up the Society's regional meetings program.

D.C. Wismer Award

Awarded to the author of the best new paper money book written during the preceding year. This year's winner is Wendell Wolka for his book *A History of Nineteenth Century Ohio Obsolete Bank Notes and Scrip*.

Awards of Merit

- Gene Hessler for his book, *U.S. Essay, Proof and Specimen Notes* (2nd edition)
- Robert Lidell and William Litt for their book, *National Currency - An Analysis with Values*

Literary Awards

Literary Awards are presented for original articles appearing in *Paper Money* during the preceding calendar year. Awards were presented in six categories:

- U.S. Small Size Notes - 1st: Peter Huntoon, "How 12-Subject Plates Were Made and Why \$5 Micro Back Plates 629 and 637 Were Saved" (S/O); 2nd: Mike Abramson, "The Charm, Excitement, Costs & Rewards of Collecting Paper Money 'By the Numbers'" (M/A).
- National Bank Notes - 1st: Thomas Minerly / Robert Moon, "A History of The National Banks of Troy, New York" (M/J); 2nd: Peter Huntoon, "Oklahoma Was Too Uncivilized to Host a National Bank" (M/A).
- Confederate Paper Money - 1st: Austin Sheheen, "Blockade Runners of the Confederacy" (M/A); 2nd: Jason W. Bradford, "Even Circulated Notes Have Stories to Tell" (N/D).
- Obsolete Paper Money - 1st: Q. David Bowers, "Waterman Lily Ormsby, Idealist" (J/A); 2nd: Ronald J. Benice, "J.R. Powell's Multi-State Notes" (M/A).
- World Paper Money - 1st: Harold Don Allen - "A High-

Tech Top Value, Canada's New \$100.00" (N/D).

- Federal Currency - 1st: Al Munro, "In 55 Years, You Can Assemble a Unique Paper Money Collection...I know, Because I did It" (S/O); 2nd: Benny Bolin, "Fractional Currency Manuscript Notes" (M/A).

Founders Award

This new award is to be given annually for outstanding achievement during the preceding year. The inaugural winner of this award was Wendell Wolka who, in 2004, authored the Society's catalog on obsolete paper money from the state of Ohio. He also served the Society in several other roles, including Advertising Manager and Tom Bain Raffle organizer.

Dr. Glenn Jackson Memorial Award

This award is for an outstanding article about bank note *essays*, proofs, specimens, and the engravers who created them. The award this year was presented to Gene Hessler for his article

"Intended Back Design for 1st U.S. Small Size Notes" which appeared in *Paper Money* (N/D 2004).

Julian Blanchard Memorial Exhibit Award

Awarded to the exhibit in Memphis which best typifies the relationship between proofs, specimens, *essays*, and bank notes and other syngraphic items. This year's winner was Mark Tomasko for his exhibit "The American Bank Note Picture Engraving Department circa 1910".

Stephen R. Taylor Memorial Best-in-Show Exhibit Award

Awarded to the best exhibit at the International Paper Money Show in Memphis. This year's winner was Bill Brandimore for his exhibit "Selected 25 Cent Notes of the Fractional Currency Series 1862-1876".

Nathan Goldstein Top New Member Recruiter Award

Given annually to the person who recruits the

most new members during the previous year. This year's award winner was Tom Denly, who recruited 29 new members during the year. The second place recruiter was Wendell Wolka, who recruited 22 new members.

George W. Wait Memorial Award

Presented annually to researchers/authors of book length works judged meritorious by the Awards Committee. Winners this year (announced previously) were R. Shawn Hewitt and Charles Parrish. The Prize carries a stipend of \$500. Their end product will be a greatly expanded and updated book on Minnesota bank notes and scrip. The research team also includes Steve Schroeder and Gil Sem. ♦

"You can imagine my surprise and delight when I opened the completely unexpected package and found what seems to be a modern-day version of a ship's clock! I thank the Society of Paper Money Collectors for this honor. I am appreciative."
-- Q. David Bowers

"I received today the literary award, and was surprised, delighted, and most grateful."
-- Don Allen

New President announces committee appointments

INCOMING SOCIETY PRESIDENT BENNY BOLIN announced the following committee appointments and assignments for 2005-2006.

Awards/Education: Frank Clark, Gene Hessler, Bob Schreiner, Fred Reed; need to address multi-year award winners and desire for more hardware.

By-Laws revision: Mark Anderson, Board of Governors.

Audit Committee: Mark Anderson, Wes Duran; develop depth, method and frequency of audits.

Nominating Committee: Tom Minerly, Rob Kravitz, Bob Cochran, Jamie Yakes; need notices in January; need active submissions.

Public Relations / Publicity: Mark Anderson, Rob Kravitz (dealer liaison), Fred Reed, Wes Duran; to work with dealers and members as a conduit to the board and to ensure society is kept in the numismatic media on a regu-

lar basis.

Project 6000: Bob Cochran, Fred Reed, Tom Minerly; develop strategies to grow society by 200 members/year.

Regional meetings: Judith Murphy, Wendell Wolka; need to develop uniqueness and increase PR value of meetings. Develop budget to include at least two with food.

Memphis Breakfast: Judith Murphy, Wendell Wolka, Mike Crabb.

Tom Bain Raffle: Jamie Yakes; to continue and to improve raffle to make an even larger positive impact for the society; also, to investigate donation of better raffle prizes.

Wismer: Bob Cochran, Gene Hessler, Fred Reed; need to address at St. Louis activities and continued efforts / direction of this group.

Show Liaison: Horstman; to set up business meetings including time, room, conference calls and refreshments. ♦

Letters to the Editor

Fred,

This is a response to "What's in a name?" in issue No. 238.

No one is required to use "syngraphics" or "syngraphist," however, when scholarship is belittled I must comment. According to one person mentioned in Dave Bowers' Interest Bearing Notes, "syn sounded either sinful or synthetic...."

Synagogue, a place where people come together to worship and demonstrate unity; synod, an assembly or religious council; syntax, study of rules for the formation of grammatical sentences. Religious leaders and English teachers would laugh at the suggestion of "syn" suggesting something sinful.

I introduced the word "syngraphics," however, I did not create it. At my request Reverend Richard Doyle, Chairman of the Department of Classical Languages at Fordham University in New York coined the word.

The word comes from the Greek "syn," meaning with or together (as in synagogue), and "graphikos," which means to write. In Latin, "syngrapha" means a written agreement to pay, a promissory note, a bond. The *Oxford Dictionary* defines paper money as "a written promise to pay." In the same source "syngraph" is defined "as a written contract or bond signed by both or all parties, an obligation or bond between two or more." The first paper money in the western world was a handwritten goldsmith receipt.

The art of engraving, etching and other methods by which copies of an original design are printed from a plate, block or the like is referred to as graphic art.

Modern notes are no longer handwritten, but are made from engraved plates. Therefore, syngraphics is interpreted as

the collecting of paper money, and since a serious collector studies what is collected, he or she is a syngraphist.

Call paper money collecting anything you like, however don't impugn an academic scholar and his scholarship.

Gene Hessler

Hi Fred,

I received your e-mail with regards to an update on the New York book which I am working on. The below is a short version of the update which I hope will be useful.

New York Wismer Book Update Report

This is a current report on the Wismer book *New York Obsolete Bank Notes, 1784-1865*. It has been a slow steady progress and three-fourths of the book is complete. However, there are still a number of bank notes and banks that require more work.

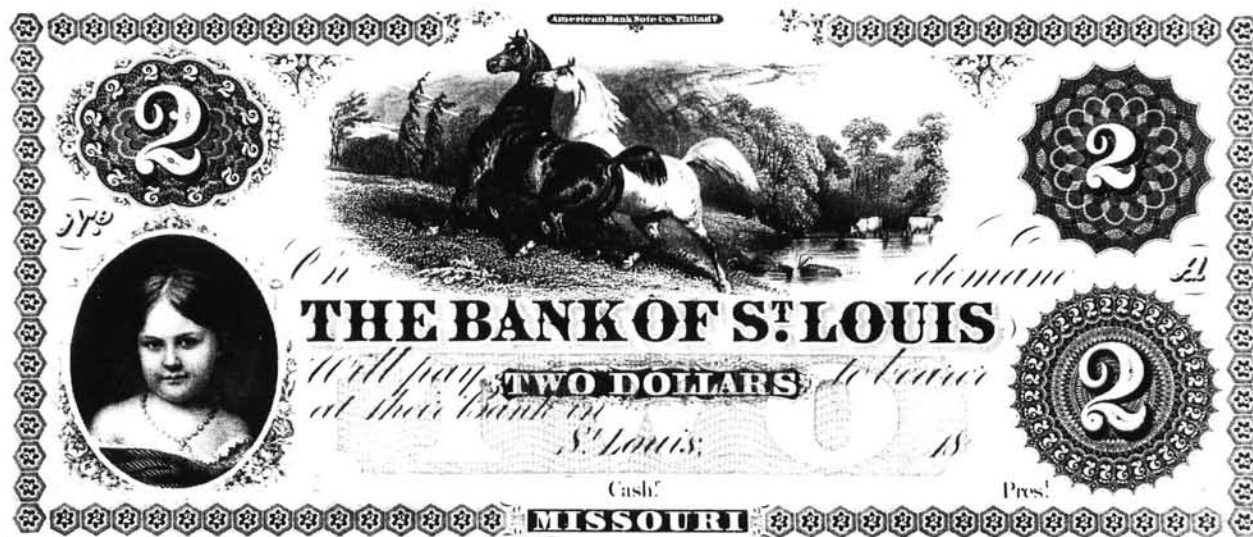
The book will also have additional information compared to books already printed and used for reference on the subject. This has also been time consuming. I have set a target for completion which is hopefully by at the end of the year 2007.

I wish to take this opportunity to thank many, many SPMC members along with various organizations who have furnished me with information for the book. There are too many of them to list here. They will however, appear in the credits. A special thanks to past Wismer coordinators Wendell Wolka and Steve Whitefield for their assistance and encouragement.

Regards, John Glynn

♦

**Do you have a question, comment, cheer or jeer?
Write or e-mail the Editor. All correspondence must have
your name, but we can preserve your anonymity, if desired.**



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About TEXAS

Mostly

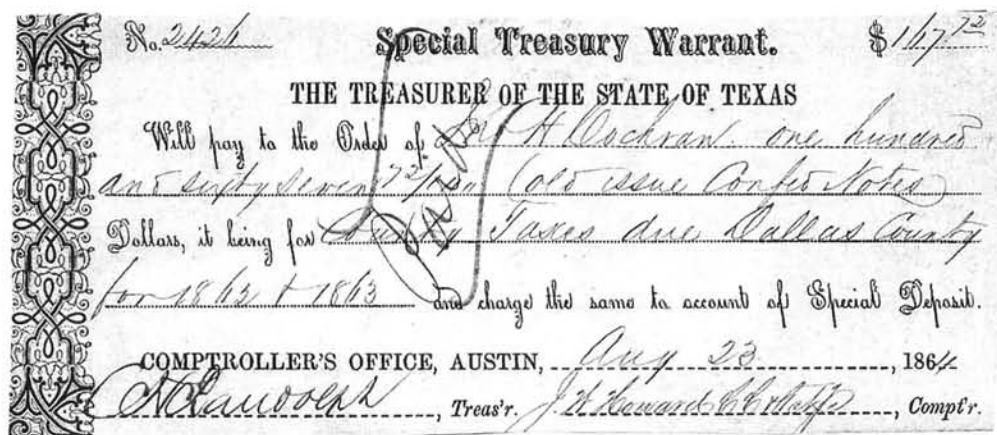
By FRANK CLARK

Texas Special Treasury Warrant

PICTURED IS A SPECIAL TREASURY WARRANT issued by the Treasurer of the State of Texas to Dallas County. These warrants were issued to counties to transfer certain taxes from the state to the county in question.

As a class, these warrants are scarce. This particular example is listed in the Medlar reference as Austin 142. It is for \$167.12 and is dated August 23, 1864.

An interesting aspect of these warrants is that they show in parenthesis - "(old issue Confed Notes)". All of these warrants are dated in August 1864. The last issue of Confederate notes carry a February 17, 1864 date.



This suggests to me that the older Confederate issues carried a premium due to inflation that affected the last issue more than the previous issues.

The CSA funding Act of Feb. 17, 1864, included two provisions which affected the relative values of the notes in question by changing terms of funding and payment obligations:

(1) By the Act of Feb. 17, 1864, CSA authorized new issue of treasury notes at rate of two dollars new to \$3 old refunded; and (2) Notes issued under the act of Feb. 17, 1864, were payable two years after peace treaty with U.S, whereas notes of the 1863 and 1862 general issues were payable six months after the peace treaty.

By August 1864 the writing was pretty much on the wall that the Confederacy would not hold out much longer.

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Medlar, Bob, *Texas Obsolete Notes and Scrip*. Society of Paper Money Collectors (1968). ♦

Letter to the Editor

Dear Fred:

I was interested in your question to George Cuhaj at the IBNS meeting during the recent Memphis paper money show. You asked George, if at the printing security conference he attended there was much talk about RFID tags on currency.

I believe he replied in the negative, and I heard you to say that you had asked a BEP printing security consultant if the BEP were considering use of these devices to track currency, perhaps under the guise of foiling terrorists or drug trafficking. And the consultant also replied he couldn't get into that.

Then you referred to "kooks" who were making counter-claims on the internet.

Well, I'm no "kook," but my research indicates that the technology to add RFID tagging to currency is already available and may be already taking place. Evidently the Japanese have developed new technology which effectively replaces the large antennae required by earlier RFID tags.

Two years ago on September 2, 2003, Martyn Williams, of IDG News Service wrote:

RFID TAGS MAKE IT INTO BANK NOTES

Imagine a world full of money
that can tell you where it's been spent.

"Hitachi has developed an RFID (radio frequency identification) chip that requires no external antenna and makes possible the embedding of tracking and identification chips in bank notes, tickets and other paper products. . . .

"The new Hitachi chip is the same size [0.4 mm square] as the current model although requires no antenna. This means it is suitable for use in a range of applications including embedding in bank notes and documents, said Hitachi.

"In May this year [2003], a Japanese media report said Hitachi was talking with the European Central Bank on a project to embed euro bank notes with RFID chips. Shibatani, the Hitachi spokesman, said that such a project was not underway at present."

These chips contain identification numbers that are burned into them at the time of manufacture, and cannot be changed. Experts point out that the only hurdles to implementing RFID tagging on currency now are bringing the price point down and overcoming public fears of the chips "Big Brother watching you" mentality.

These chips have already been successfully used in exhibition tickets, some credit and ID cards. With plastic currency and the frequent design changes of notes, it could be just a matter of time.

Bills have already been introduced in the U.S. Congress to facilitate currency conversion and extreme measures announced to fight terrorists and drug smugglers could easily overcome public apprehension, especially if the use of such technology were not widely announced beforehand under the guise of national security.

Sincerely, Leslie Deerdorf ♦

SPMC Member Bill Horton takes over reins at ANA



WILLIAM H. HORTON JR., KEYPORT, NJ DEFEATED C. William Rossman, Monument, CO 4,145 votes (51.4%) to 3,916 votes in the recent American Numismatic Association election.

Horton (SPMC #3474) served as SPMC Governor 1982-89, Society Recruiting Chairman

in 1982, and was presented the Society's Award of Merit in 1985 "for his work as chairman of the first International Paper Money Convention" at Cherry Hill, NJ.

Horton follows a long line of past ANA presidents who had close ties with SPMC. These included John Wilson, Gary Lewis, Dave Bowers, Matt Rothert, Bob Medlar and Steve Taylor.

Also elected to the ANA Board of Governors was Donald H. Kagin, Tiburon, CA, author of the lead article in this issue of *Paper Money*.

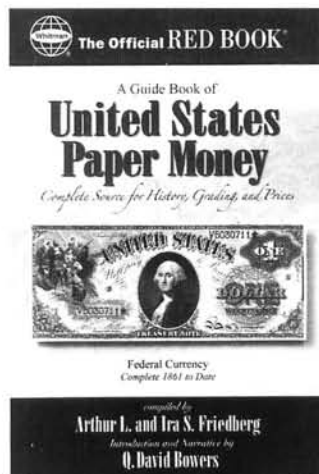
Installation of new officers for the Association occurred at the ANA Banquet on Saturday, July 31 in San Francisco. ❖

Whitman releases 'Red Book' Guide to U.S. Paper Money

ART AND IRA FRIEDBERG'S NEW REFERENCE to U.S. currency, *A Guide Book of United States Paper Money*, featuring the hobby-standard Friedberg numbering system, has been published by Whitman Publishing Company, LLC, Atlanta, GA.

Another familiar name to readers of this magazine, *Paper Money* columnist Q. David Bowers has created a completely new text for the volume, including extensive historical and numismatic information.

All varieties of federal notes from 1861 to date are illustrated and described in the 440-page book, which includes an eight-page portfolio of full-color photos. Current market prices, in multiple grades, are listed.



"We anticipate that this book will be a much-used reference for collectors and dealers alike, an ideal companion to our best-selling 'Red Book,' *Guide Book of United States Coins*, a standard since 1946," said Mary Counts, president of Whitman. "We expect to update the prices regularly. This book will be essential for every library," she added.

"A rising tide lifts all ships," Ms. Counts commented further. "We expect that

this new Whitman title will greatly expand what is already a very dynamic part of American numismatics.

"The combination of Friedberg and Bowers talent, plus market price suggestions and contributions from leading dealers, coordinated for this first edition by Tom Denly, will make this a 'must have' book."

The book carries a cover price of \$19.95 and is available at hobby stores and book stores nationwide. ❖

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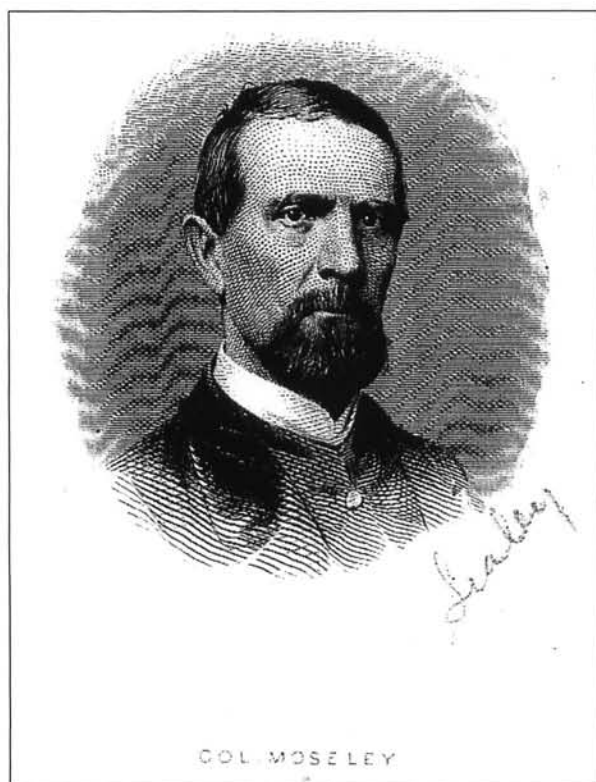
Positive ID on Missouri Military Bond

By Ron Horstman

WE NOW KNOW FOR SURE WHO THE BEARDED GENTLEMAN that appeared on the upper left hand corner of the \$1.00 Missouri Union Military Bond was. The search has taken nearly 30 years.

- He was first listed by Criswell in 1976 as unidentified.
- In 1998 he was listed by Slabaugh as General Nathaniel Lyon.
- In 2005 a *Paper Money* magazine article listed him as John Smith Phelps.

Somewhere along the line, he was correctly identified as William S. Moseley by the Kansas Historical Society.



At the 2005 Memphis International Paper Money Show, I purchased a proof die vignette of the portrait with the identification of Colonel Moseley.

Who was this man whose identity eluded so many?

William S. Mosely was a lawyer from New Madrid county in the southeast part of the state. He served as county clerk from 1846 to 1858 and also served in the state legislature. He was elected state auditor in 1860 on the Democratic ticket and held that position throughout the Civil War.

Mosely had the distinction of being the only state official to remain in Jefferson City to serve the voters. The governor, lieutenant governor and secretary of state fled in the face of Union troops arriving from St. Louis, not to return for the duration of the war.

Why the title of "Colonel" remains unclear, since there are no records of him ever having served in the military or commanding a military regiment. The title may have been simply an honorary one bestowed upon him by a group or organization.

Hopefully, he was better known while he was alive.

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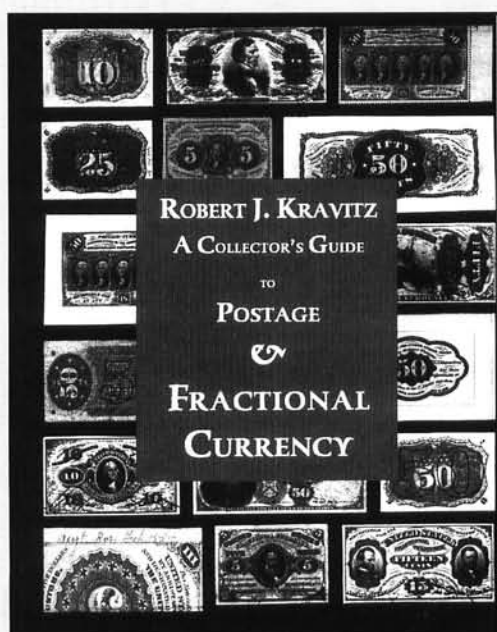
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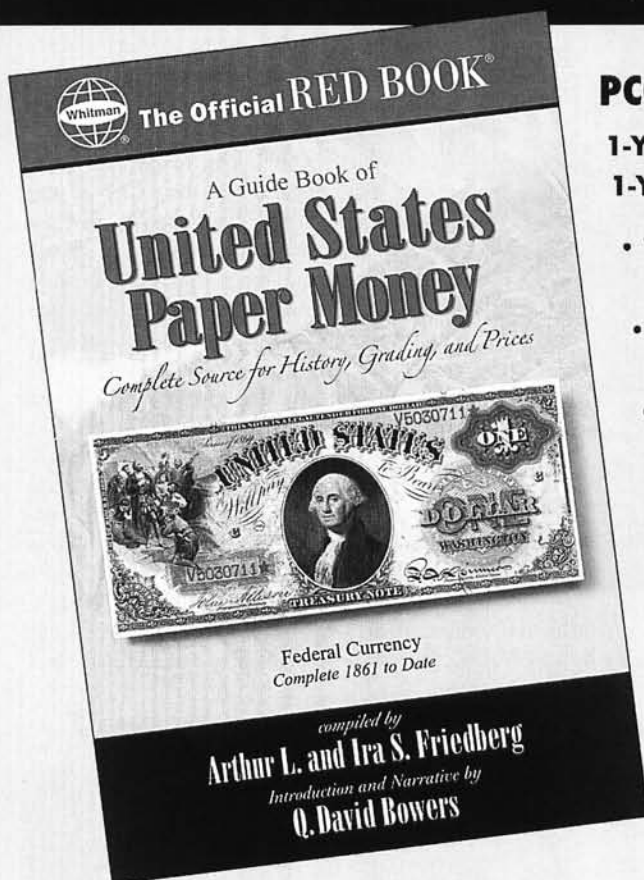
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Paper Money Values to debut November 8th

SPMC MEMBER MICHELE ORZANO ANNOUNCES the debut November 8th of *Coin World's Paper Money Values*, a quarterly illustrated magazine and price guide.

Orzano, a senior writer for *Coin World*, is well known to many readers of this journal as a frequent writer on paper money topics for the weekly tabloid publication.

The price guide section is being compiled by SPMC members Art and Ira Friedberg, better known for their collaboration on recent editions of *Paper Money of the United States* (Coin and Currency Institute, 17th ed. 2004). The Friedbergs have also contributed pricing information for *Coin World* in recent years.

"Collecting paper money in the United States is growing by leaps and bounds. Our new magazine will reach out to thousands of new collectors as well as established collectors," said Bill Fay, Amos Hobby Publishing's vice president of operations.

"The magazine will offer a wide variety of features aimed at increasing knowledge about and the enjoyment of collecting paper money," editor Orzano predicted. "Each issue will feature a look at the people and histo-

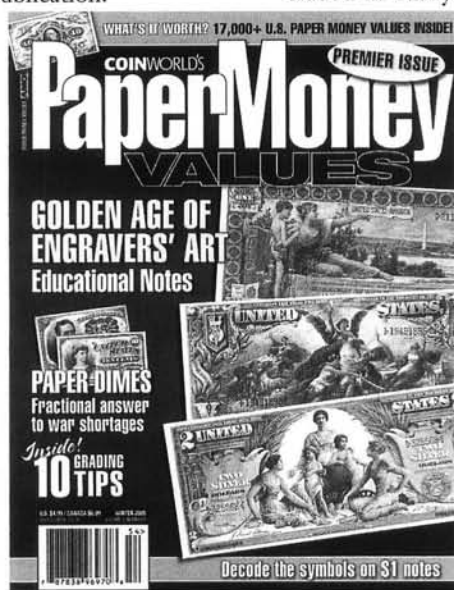
ry behind U.S. paper money, fun ways to put collections together, factors that determine a note's value, and a look at paper money from around the world," she added.

An exclusive feature of the new magazine will be current retail values for some 17,000 U.S. notes actively collected and traded in today's market. Art Friedberg, co-author of the hobby's authoritative *Paper Money of the United States*, will provide market analysis and price updates in each issue. The price guide uses the Friedberg numbering system for easy use.

Coin World will continue to provide weekly news coverage of the paper money hobby, Editor Beth Deisher said. But the current values, market analysis and expanded feature coverage will move to the new magazine. She noted that paper money values updates have been published in *Coin World* twice yearly, while the new magazine will offer pricing updates four times a year.

The premier 100-page issue will mail to subscribers Oct. 19. Charter subscriptions are being offered at \$17.97 for a one-year (four issues) subscription. Single-copy issues on the newsstand will sell for \$4.99 in the United States and \$6.99 in Canada.

Additional information is available from Coin World Paper Money Values, P.O. Box 4315, Sidney, OH 45365. ♦



Front row, center, John J. Ford Jr. dies July 7

FORMER SPMC MEMBER JOHN J. FORD JR. (#278, 1962-2002) died July 7 at a nursing home in Scottsdale, AZ.

Mr. Ford was 81. He was born March 5, 1924 in Hollywood, CA.

A long time dealer, Ford has been much in the public eye for the past three years as portions of his monumental if somewhat esoteric numismatic collections have brought record prices in 11 successive Stack's sales. Thus far these sales totaled at the time of his death in excess of \$35 million.

Following WW II, Ford became a cataloger and part owner of New Netherlands Coin Co., noted for his exceptional cataloging skills from his first catalog March 3, 1951.

As a collector, Ford collected against the grain, specializing in non-mainstream material and building over the years fabulous collections of Colonial and early American numismatics, encased stamps, exnumia, Confederate items, Mormon material, War of 1812 notes and numismatic books, among them.

It is said that a Confederate note he paid 15 cents for brought more than \$200 recently.

Ford was controversial in his lifetime, secretive and often brusque. He could also be a charmer and conversationalist. He was very selective with whom he would share his considerable knowledge. For example, in four decades as an SPMC member, he never once wrote for our Journal.

Ironically at right, taken c. 1980 at a major auction, Ford is seen front row center with his familiar pipe, while this issue's principal author, Don Kagin offers up a bid. -- Fred Reed ♦



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On This Date in Paper Money History -- Sept. 2005

By Fred Reed ©

Sept. 1

1815, New York State Bank issues banknotes; 1864, Samuel Grant, Kittery, ME issues four-cent scrip; 1903, U.S. ships first small size Philippine peso notes to Manila; 1994, Michael H. Moskow takes office as President Federal Reserve Bank of Chicago;

Sept. 2

1776, Continental Congress values paper dollars at par with Spanish coins; 1861, VA postmaster Gideon Jones begins issuing scrip; 1937, Princeton, KY Tobacco Festival issues wooden nickel flat; 1989, Treasury Department celebrates its bicentennial;

Sept. 3

1861, Commanding General Winfield Scott announces to Army they will be paid in paper money not in coin; 1866, Treasury approves Laban Heath using certain "cuts" in his counterfeit detectors; 1883, Postal notes first issued at local post offices;

Sept. 4

1841, Third Bank of the United States closes its doors; 1942, First delivery of Series 1934 \$10 SC for North Africa; 1980, NASCA auctions Chuck O'Donnell's personal NJ small NBNs collection; 1998, First issue of electronic newsletter *E-Sylum*;

Sept. 5

1927, Fed Reserve Chairman Paul A. Volcker born; 1980, American Israel Numismatic Assn. Hosts 1st Greater New York Paper Money Convention; 2000, "Fine Art and Paper Money in Jacksonian America" exhibit opens at Hofstra University;

Sept. 6

1819, Union general and Register of Treasury William S. Rosecrans born; 1893, Plate Printers Union of America unites 350 plate printers in D.C., Boston, NYC, Philadelphia; 1946, KC Federal Reserve Bank President Thomas M. Hoenig born;

Sept. 7

1819, Second Bank of the United States issues banknotes; 1905, U.S. Treasurer Ivy Baker Priest born; 1958, Collector Fred Boyd, paternostre of the Fractional Currency Collectors Board, dies;

Sept. 8

1869, Treasury Secretary William Pitt Fessenden (FR 539-548) dies; 1915, Thomas Edison's feature film *The Money Master* premieres; 1980, SPMC Board considers computerizing membership records;

Sept. 9

1864, College currency issuer Harvey G. Eastman patents his school room design; 1902, First Series 1902 \$50 and \$100 Red Seal NBNs issued to FNB of Chicago (Charter #2670); 1957, BEP delivers first notes printed by dry intaglio process;

Sept. 10

1813, Commodore Oliver Hazard Perry defeats British warships (FR 452-463) at Battle of Lake Erie; 1923, Treasury Secretary Andrew Mellon announces new designs for U.S. currency; 2004, European Union nations clash over spelling of EURO on notes;

Sept. 11

1841, President's Cabinet resigns over Tyler's Third Bank of the U.S. veto; 1974, circulation of negotiable American Liberty Currency warehouse receipts; 2002, BEP suspends public tours marking anniversary of terrorist attacks;

Sept. 12

1852, Banknote engraver Thomas F. Morris born; 1877, Virginia Historical Society Secretary R. Alonzo Brock calls for additional study of Colonial finance; 1981, NASCA sells Rocky Rockholt fractional currency collection;

Sept. 13

1789, NYC banks make first loan to U.S. government; 1861, CSA Treasury cancels currency contract with Jules Manouvrier due to security violations; 1967, Robert A. Siegel sale of Josiah Lilly encased stamp collection;

Sept. 14

1644, Colonist William Penn, who appears on many obsolete banknotes, born; 1872,

Under provisions of the Geneva Conference, Congress authorizes Certificates of Indebtedness to pay the Alabama claims; 2001, Paramount's teen comedy *Milk Money* premieres on Russian TV;

Sept. 15

1837, City of Trenton, NJ issues scrip for 12 1/2-, 15-, 25-, and 50-cents; 1940, Mob crime drama *Crooked Money* (a.k.a. *While Thousands Cheer*) debuts; 2003, New Orleans dealer Clarence Rareside dies;

Sept. 16

1843, Earliest issue of *Thompson's Bank Note Reporter*; 1930, Eugene Meyer begins tenure as Federal Reserve Board Chairman; 1964, First delivery of Series 1963 \$5 FRN;

Sept. 17

1859, San Francisco paper money issuer Joshua Abraham "Emperor" Norton proclaims himself "Emperor of U.S. and Protector of Mexico"; 1970, U.S. Treasurer Dorothy Andrews Elston marries Walter Kabis; 2003, NYSE Chairman Dick Grasso resigns;

Sept. 18

1975, Heiress and bank robber Patty Hearst captured by FBI in SF; 1975, American Bankers Assoc. and Smithsonian Institution debut "Two Centuries of American Banking" exhibition; 1989, Fractional Currency author Matt Rothert dies;

Sept. 19

1803, Philadelphia Bank opens; 1884, Numismatic author Neil Carothers, author of *Fractional Money*, born; 1946, Last delivery of Series 1928D \$5 USN;

Sept. 20

1863, Union general George H. Thomas (FR 359-361) saves the Union Army in Tennessee; 1870, Mayor William "Boss" Tweed accused of plundering NYC's treasury; 1996, European Monetary Institute receives Euro banknote competition designs;

Sept. 21

1832, Bank of Scotland currency subject poet Sir Walter Scott dies; 1893, Collector poet Thomas S. Collier dies; 1974, Collector-author Charles J. Affleck dies;

Sept. 22

1863, Virginia General Assembly passes Act to suppress further issue of municipal and county small change notes; 1983, Beginning of Regan-Ortega combined tenure; 2000, CAA sells the Michael J. Sullivan Collection of bank histories;

Sept. 23

1814, Corporation of Athens Village, ME issues two-cent scrip; 1861, Last of CSA Richmond first issue \$50 and \$100 notes issued; 1965, BEP inaugurates self-guided tours of Washington, D.C. facility;

Sept. 24

1869, Gould and Fisk's speculation results in Black Friday Wall Street panic; 1955, Stack's sells Frank Limpert Collection; 1971, Walt Disney's \$1,000,000 *Duck* released;

Sept. 25

1911, CSA note collector Joseph C. Mitchelson dies; 1957, First delivery of Series 1950B \$5 FRN; 1981, Bob Medlar sells Glenn B. Smedley paper money collection;

Sept. 26

1945, Old Dutch banknotes declared invalid; 1967, Columbia Pictures film "Who's Minding the Mint" about the BEP debuts; 1985, BEP hosts Pacific Rim Conference of major security printers;

Sept. 27

1722, Samuel Adams, who appears on Arkansas Treasury Warrants and beer labels, born; 1865, Treasury Secretary William Duane dies; 1957, B. Max Mehl dies;

Sept. 28

1850, Congress authorizes military Bounty Land Scrip for veterans of Indian Wars, and others; 1960, CBS TV program *The Millionaire* airs for last time; 2004, "First spend" ceremony kicks off release of "nexGen" \$50 FRN;

Sept. 29

1926, ANA President and paper money exhibitor Stephen Taylor born; 1995, Hughes Brothers' actioner *Dead Presidents* about destruction of worn out currency premieres in NYC; 2004, Canada releases *Canadian Journey* \$20 note to circulation;

Sept. 30

1827, U.S. Treasurer Ellis H. Roberts born; 1913, End of Napier-Burke combined tenure as Register and Treasurer; 1939, H.K. Crofoot displays stamped Treasury paper which was forerunner to Postage Currency at the ANA convention;

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With co-author David M. Sundman and in cooperation with a special scrip note project by Kevin Lafond, I am anticipating the production of a book-length study of the subject, containing basic information about currency, many illustrations including people, buildings, and other items beyond the notes themselves, and much other information which I hope will appeal to anyone interested in historical details. All of this, of course, is very fascinating to me!

Dave Bowers

Box 539

Wolfeboro Falls, NH 03896

e-mail: qdbarchive@metrocast.net

On This Date in Paper Money History -- Oct. 2005

By Fred Reed ©

Oct. 1

1893, Ed Frossard sells S.M. Clark's Fractional Currency essays/proofs at fixed prices; **1957**, First processing of Savings Bonds by computer; **1990**, Treasury will no longer honor checks more than a year old; **2004**, ANA closes "Viva la Revolution!" exhibit;

Oct. 2

1814, John Elliott Ward, who appears on Confederate \$10 notes, born; **1982**, *Two Centuries of American Banking* author and Smithsonian curator Vladimir Clain-Stefanelli dies; **1987**, Disneyworld and EPCOT Center introduce scrip notes;

Oct. 3

1776, Continental Congress specifies interest bearing certificates be printed in various colors to guard against fraud; **1960**, BankAmericard introduced, San Francisco's White House department store becomes first to accept it; **1964**, Warner Brothers circulates paper "wampum" for release of James Stewart western *Cheyenne Autumn*;

Oct. 4

1761, St. Louis banker and colonizer Moses Austin born; **1862**, W.E. Hilton begins advertising Confederate facsimile notes in *Harper's Weekly*; **1969**, SPMC member and dealer Mary Herzog born; **2002**, ANA debuts "Show me the Money: the Dollar as Art";

Oct. 5

1815, Bank of Pittsburgh issues scrip; **1892**, Dalton gang bank spree ends in Coffeyville, KS; **1999**, Roger Ferguson becomes Vice Chairman of the Fed;

Oct. 6

1771, Ohio Governor Jeremiah Morrow, who appears on obsoletes, born; **1889**, Fractional Currency author Frank Limpert born; **1917**, Congress relaxes prohibition on use of power printing presses at BEP; **1950**, BEP engraver Thomas R. Hipschen born; ;

Oct. 7

1964, Production of Series 1963 \$20 FRNs with motto "In God We Trust" begins; **1970**, Series 692 MPCs issued; **1978**, International Bond & Share Society holds first meeting;

Oct. 8

1967, BEP Director Henry Holtzclaw retires after 50 years total service at the Bureau; **1979**, SPMC liquidates *Paper Money* back issues; **1986**, Newman-Cruise film *The Color of Money* premiere's in NYC;

Oct. 9

1781, "Swamp Fox" General Francis Marion, depicted on Confederate \$100 note, receives the thanks of Congress; **1967**, James A. Conlon becomes BEP Director; **1980**, Knoxville, TN becomes site of first consumer use of home banking by computer;

Oct. 10

1720, French government says "NO" to banknotes; **1867**, John Jay Knox becomes deputy Comptroller of Currency; **1940**, Banknote engraver Edwin Gunn dies; **1971**, Banker and SPMC Charter Member Memphis William A. Philpott dies;

Oct. 11

1809, Explorer Meriwether Lewis (FR 114-122) dies; **1819**, Jacob Perkins receives English patent for anti-counterfeit Stereotype Steel Plate; **1937**, Treasury Secretary Ogden Mills dies;

Oct. 12

1837, Treasury notes issued under this act first to be printed with back designs; **1852**, John J. Knox founds Burnett Bank, Syracuse, NY; **1859**, SF paper money issuer "Emperor" Norton orders Congress to dissolve; **1988**, Bank of England announces smaller 5-pound note;

Oct. 13

1648, Earliest known English check, 20-pounds, signed by Henry Snelgrave; **1862**, Treasury contracts with Stuart Gwynn to supply security paper; **1982**, BEP installs first mechanical note examining equipment; **2002**, Krause Publications marks 50 years;

Oct. 14

1837, Richmond's Bank of Virginia begins emission of fractional shinplasters payable to "Henry Clay or Bearer"; **1968**, English language Treasury seal replaces Latin seal of Series 1966 \$100 U.S. Notes; **2004**, Numismatic book seller G. Frederick Kolbe sells library of former Smithsonian curators Vladimir and Elvira Clain-Stefanelli;

Oct. 15

1936, Barney Bluestone opens Syracuse Coin and Novelty Co.; **1947**, Statue of Albert Gallatin at Treasury Building dedicated; **2003**, post-Saddam notes introduced in Iraq;

Oct. 16

1806, Treasury Secretary William Pitt Fessenden (FR 539-548) born; **1893**, Engraver Robert Ponickau appointed to BEP; **2004**, Lyn Knight sells John Whitney's currency;

Oct. 17

1777, English general Burgoyne surrenders to U.S. general Gates (FR 464-464a); **1821**, Photographer Alexander Gardner whose Lincoln portrait was engraved for U.S. currency born; **1968**, Treasury says it will stop issuing \$5 U.S. Notes as economy measure;

Oct. 18

1859, Dealer and Colonial and Continental Currency collector Henry Chapman born; **1862**, Pro-Union Missouri government authorizes state Defence Warrants; **1972**, Main Treasury Building declared National Historic Landmark;

Oct. 19

1752, Benjamin Franklin explains kite flying electricity experiment (FR 479-492) to British scientific community; **1896**, Treasury Secretary William Richardson dies; **1987**, Black Monday on NYSE as Dow Jones Average plunges in worst ever one-day decline;

Oct. 20

1758, New Jersey Colonial Currency (FR NJ119-127); **1837**, Pensacola issues municipal scrip; **2002**, Publisher Chet Krause dismissed from firm he founded;

Oct. 21

1862, Contractor Butler & Carpenter deliver first Certificate 2¢ revenue stamps; **1944**, Treasury lifts regulations on currency circulation in Hawaiian Islands; **2000**, J.S.G. Boggs "beyond money" exhibit opens at Frumkin/Duval Santa Monica, CA art gallery;

Oct. 22

1780, Early banknote engraver Peter Maverick born; **1907**, Failure of Knickerbocker Trust Co. of NYC precipitates Panic of 1907; **2004**, R.M. Smythe conducts first Herb and Martha Schingoethe obsolete note sale at Strasburg;

Oct. 23

1964, Smithsonian Institution's Hall of Monetary History opens; **1993**, Thomas Crawford's statue Columbia (FR 1-5) replaced atop Capitol after restoration; **1999**, SPMC votes publication grant to Robert S. Neale for his book *The Bank of Cape Fear*;

Oct. 24

1808, Banknote vignette engraver John Sartain born; **1862**, Contractor Butler & Carpenter deliver first Certificate 10¢ revenue stamps; **1929**, Black Thursday begins the Great Depression; **1979**, *Oklahoma Obsolete Notes* author Maurice Burgett dies;

Oct. 25

1861, Transcontinental telegraph makes possible transfer of bank funds across country almost instantaneous; **1897**, Banknote vignette engraver John Sartain dies; **1960**, U.S. Treasurer H. Theodore Tate dies;

Oct. 26

1831, CSA note collector John Wiley Aulick born; **1981**, Treasury resumes selling U.S. currency in sheets; **1989**, Artist and banknote engraver John Hay dies;

Oct. 27

1648, Massachusetts General Court votes to accept wampum strands at set values; **1856**, U.S. currency designer Kenyon Cox born; **2003**, DaVinci Institute and *Forbes* magazine stage the "Future of Money Summit" in Denver;

Oct. 28

1823, Encased stamp issuer William Weir born; **1995**, At SPMC Librarian Roger Durand's suggestion Board votes to have magazine professionally bound by year; **2004**, Electronic substitute checks OKed as substitute for check clearing economy;

Oct. 29

1616, Sir Walter Raleigh (FR 387-393) executed by the British Crown for treason; **1892**, *Tromp l'oeil* currency artist William Michael Hammett dies; **1935**, French film *The Last Millionaire* released in U.S.;

Oct. 30

1820, Banker and collector Herman Ely born; **1826**, New York publisher Mahlon Day patents his bank-note list, counterfeit detector and prices current list; **1840**, *History of American Currency* author William Sumner born;

Oct. 31

1863, PMG Montgomery Blair tells Congress \$392,499.82 in stamps used as currency redeemed/destroyed; **1873**, Treasurer W.O. Woods born; **1912**, Connecticut paper money author Wyman Parker born; **1985**, Roger Durand speaks at ANS COAC; ❖



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The Bank of the United States in North Carolina

by Bob Schreiner

FEDERAL PAPER MONEY WASN'T ISSUED IN A SIGNIFICANT way until the Civil War era. At that time the abundance of paper money issued by banks, states (in the South), municipalities, and merchants of all sorts was taxed out of existence, and the first federal paper money was left with little competition.

But in a way, the United States did issue some paper money prior to that time, and part of it came from North Carolina!

The Bank of the United States existed in three incarnations, discontinuously from 1791 through 1841. The home location of these banks was Philadelphia, with branches in many states. The First Bank of the United States, 1791-1811, was chartered by Congress for 20 years. The Bank was organized by Alexander Hamilton, and it was well-managed and successful. Its notes were well regarded and could be exchanged for specie. Many later bank notes

and other paper money could only be redeemed in "current funds," meaning other paper money of equally dubious value. But in early America, banks and use of paper money were highly controversial, and the "hard money" faction --those favoring exclusive use of coins of intrinsic value --succeeded in insuring that Congress did not renew



Figure 1: Fayetteville branch, Bank of the United States, note issued in 1829.

the Bank's charter upon expiration. Examples from the First Bank are almost non-existent today, because most were redeemed. Most of what did survive are contemporary counterfeits.

The Second Bank of the United States, 1817-1836, like the First BUS, was well-managed and issued sound paper money. Among its duties were the handling of fiscal affairs for the federal government and funding, through loans, of projects for economic development of the frontier. But this bank also ran into political opposition, both by the "easy money" faction -- those who believed that the Bank's policies were too conservative -- and by the "hard money" faction. Andrew Jackson, one of the "hard money" advocates, doomed

A short history of the Bank of the United States

by Fred Reed

THE REVOLUTIONARY WAR LEFT THE U.S. in debt. Some states were bankrupt. We needed one unified currency and Treasury Secretary Alexander Hamilton suggested a central bank.

The First Bank's charter was drafted in 1791 by the Congress and signed by George Washington. The Bank was chartered for a period of 20 years to serve as the government's fiscal agent and depository of federal funds.

The First Bank of the United States came about while Philadelphia was still the nation's capital. From 1791 to 1795, the bank was housed in Carpenters' Hall. Then a neo-classical building was erected, designed to recall the democracy and splendor of ancient Greece. Built 1795-97, it was erected on Third Street, between Chestnut and Walnut Streets. Architects: were Samuel Blodgett and



First Bank of the United States, the first building in America with a classical facade recalling the Greek and Roman ideal.

James Windrim. The building cost \$110,168.05 to build.

In 1811, Congress voted to abandon the Bank and its charter.

The Second Bank of the United States was chartered for similar reasons as its predecessor. The War of 1812 had left a large national debt. Inflation was fueled by the ever-increasing amount of notes issued by private banks. Specie was jealously hoarded.

For these reasons President James Madison signed a bill authorizing the Second Bank in 1816 with a charter lasting 20 years.

The Bank was located at 420 Chestnut Street between South 4th and South 5th Streets. It was built in the Greek Revival style by Architect William Strickland 1818-1824. The building is modeled on the Parthenon in Athens.

In the late 1820s a titanic clash erupted between U.S. President Andy Jackson and Bank President Nicholas Biddle. Jackson claimed the Bank was a threat to the republic due to its economic power. State bankers and western farmers stood with Jackson.

Ultimately Jackson triumphed. He considered his 1832 re-election over pro-bank candidate Henry Clay a mandate for his anti-bank policy. Jackson vetoed Congress' 1832 recharter of the Bank. Sixty thousand people in West Philadelphia protested Jackson's veto of the Bank's recharter. The Second Bank ceased to function in 1836.



Second Bank of the United States.

A short timeline on the Bank of the United States:

- Jan. 11, 1755, Treasury Secretary Alexander Hamilton (FR 1-5, 41) born
- June 21, 1759, Treasury Secretary Alexander James Dallas, instrumental in chartering Second Bank of U.S., born
- Mar. 15, 1767, President Andrew Jackson (FR 64-92) born
- Jan. 8, 1786, Nicholas Biddle, president of Second Bank of the U.S., born
- Sept. 11, 1789, Alexander Hamilton takes oath of office as first Secretary of the Treasury
- Dec. 14, 1790, Treasury Secretary Hamilton argues that Bank of the United States is Constitutional in report to Congress
- Jan. 9, 1790, Treasury Secretary Hamilton advocates assuming the states' debt
- Feb. 25, 1791, Congress incorporates First Central Bank of the United States with capital of \$10 million
- Dec. 12, 1791, First Bank of the United States opens its doors for business as the government's fiscal agent
- July 11, 1804, Treasury Secretary Alexander Hamilton (FR 1-5, 41) dies in duel with Aaron Burr
- Apr. 10, 1816, Congress passes Act to charter a Second Bank of the United States
- Jan. 16, 1817, Treasury Secretary Alexander James Dallas, instrumental in chartering Second Bank of U.S., dies
- Jan. 17, 1817, Second Bank of the United States opens for business in Carpenter's Hall
- Feb. 22, 1819 *McCulloch v. Maryland* argued before Supreme Court
- Mar. 3, 1819, Congress incorporates Second Bank of the United States with capital of \$35 million
- Mar. 6, 1819, *McCulloch v. Maryland* upholds Congress' power to charter Second Bank of the United States and the Bank's right to establish branches in any state
- July 10, 1832, President Andrew Jackson vetoes extension of Second Bank of the United States' charter
- Jan. 1, 1834, Satirical Glory Bank notes circulate in Washington, D.C. critical of Jackson and Treasury Auditor Amos Kendall
- Mar. 4, 1836, Third Bank of United States opens for business
- July 11, 1836, President Andrew Jackson issues Specie Circular
- Sept. 11, 1841, President's Cabinet resigns over Tyler's Third Bank of the U.S. veto
- Feb. 27, 1844, Nicholas Biddle dies
- June 8, 1845, President Andrew Jackson (FR 64-92) dies ❖



Figure 2 the Second Bank when he was elected president in 1828. In 1833 he suspended deposit of federal funds in the Bank, curtailing its funds and causing its demise and liquidation in 1836.

But the Bank continued to have a life. It was reorganized under a charter from the State of Pennsylvania and continued business until 1841. While this is frequently referred to as the Third Bank of the United States, it was not a federal entity like the First and Second BUSES.

Where does North Carolina fit into this story? Among the 28 branches of the Second Bank of the United States was one in Fayetteville, operating between 1817 and 1835. Each branch and the main office issued paper money, all using common designs with the place name filled in. Most branch issues are today scarce to rare, with contemporary counterfeits comprising many survivors. **Figure 1** is a note issued by the Fayetteville branch in 1829. I don't know if it's genuine or fake. This note is actually a "draft" or check issued by the branch. The only design difference between the draft and the note is the



Figure 3 phrase "Cashier of the" on the draft. Notes say "The President and Directors" in its place.

Figure 2 shows a note issued by the main office of the Second Bank in 1835. It is a note, not a draft, and Philadelphia issues are fairly common. Again, I don't know if it's genuine. **Figure 3** shows a note from 1839, of unknown genuineness, from the Third Bank. Third Bank notes are the most available of the three banks.

Because of the scarcity of Fayetteville issues of the Second Bank of the United States, examples are missing from many North Carolina collections. But for completeness, any collection of North Carolina bank notes has to include an issue of the Bank of the United States at Fayetteville as one of North Carolina's banks. ♦

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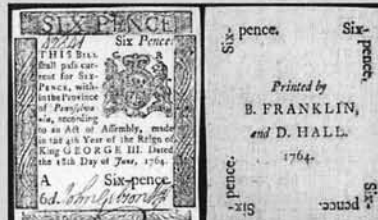
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A Trial Listing of
**Connecticut Raised, Altered,
Counterfeit
& Otherwise Fraudulent
Obsolete Currency**

By J. Roy Pennell Jr.

Aetna Bank, Hartford

1. \$10 raised from \$1. Female, sheaf, &c., ship in distance. CTBNL Dec. 1862.

Ansonia Bank

1. \$2. Man and woman at a well. CTBNL Jan. 1865.

Bank of Commerce, New London

1. \$1 altered. Child feeding calves at right; female and ONE at left; ONE and railroad scene. CTBNL Jan. 1861.
2. \$5 altered. Train of cars running to the left; at right 5, female, FIVE; at left 5, male portrait. CTBNL Jan. 1861.
3. \$2. Female, shield &c at right upper center; oval male portrait on left, unlike genuine. CTBNL Jan. 1861.
4. \$5 altered. Three men on rock; at right 5 and portrait of Jackson; at left 5 and plowing scene. CTBNL Apr. 1861.
5. \$5. Train of cars running to the right; on right end 5 and female portrait; 5 at lower left corner. CTBNL Dec. 1861.
6. \$10. Eagle and shield; Indian at right; female and eagle at left. Unlike genuine. CTBNL Aug. 1856.
7. \$5. Female with shield, steamboat & c.; sailor at left. Poorly done. CTBNL June 1855.
8. \$5. Spread eagle on a rock, ship in distance; ship at lower right; female on left, steamboat at bottom. CTBNL July 1856.
9. \$1. Female and shield, with 1, medallion head at upper right; female lower right. CTBNL Feb. 1858.

Bank of Hartford

1. \$10 altered from \$1. Bricklayers. CTBNL July 1856.
2. \$10 altered from \$2. Machinist; rail cars at bottom. CTBNL Jan. 1857.

Bank of Litchfield County

1. \$10 altered from \$2. Men loading hay. CTBNL Aug. 1856.
2. \$10 altered from \$1. Signed by A. McAllister, cashier. He signed none higher than \$3s. CTBNL Mar. 1854.
3. \$5 altered. Wild horses; female at right lower corner. Unlike genuine. CTBNL Sept. 1858.
4. \$2. Farm scene; three men cradling, two men loading grain; on right 2, two cupids; on left 2, man plowing with two horses. CTBNL Jan. 1861.
5. \$1. Harvest scene, die on right; 1 left, 1 right; female, farm house, cattle. Similar to genuine. Thompson 1863.

Bank of New England, East Haddam

1. \$2 altered. Horses and wagon; 2 on right end, Washington; 2 on left end, female bust. Unlike genuine. CTBNL Apr. 1861.
2. \$20 raised from \$2. Steamboat, "City of Hartford," city and buildings in background. The genuine bill has 20 at upper right with portrait of Webster below. The vignette is above the name of the Bank. CTBNL Feb. 1865.
3. \$10 raised from \$1. Steamboat landing, houses and hotel; oval female portrait on right; oval male portrait on



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left. The genuine \$10s have a male portrait at right of vignette. CTBNL Feb. 1865.

Bank of North America, Seymour

1. \$5. Large 5 with two female figures; Washington at right; head at left; unlike genuine. CTBNL Mar. 1854.
2. \$5 altered from \$1. Angel blowing trumpet. CTBNL June 1855.
3. \$20 altered from a broken bank note. Seated female; medallion and female with spear on each side. CTBNL July 1856.

Bank of Norwalk

1. \$5 altered. Hunter, squaw, cupids, five gold dollars.
2. \$2. Train of cars running to the left; at right 2 and seated female with ornamental 2, TWO; at left 2, portrait of Franklin, TWO. CTBNL Jan. 1861.

Bridgeport City Bank

1. \$5 altered from \$1. Bust of Washington, female at right. CTBNL Aug. 1856.
2. \$10 altered from \$1. City in distance, a ship, boats and fisherman; farmer with scythe at left. CTBNL Mar. 1854.
3. \$10. Reapers lying under stack of grain; female at right; medallion head at left. CTBNL June 1855.
4. \$3 altered from \$1. View of Bridgeport; farmer sharpening scythe on left. CTBNL July 1856.
5. \$5. Girl seated with pail; Indian squaw at right; Washington at left. CTBNL July 1856.
6. \$3 photograph. Marine view; Calhoun at right; female head at left. CTBNL Jan. 1857.
7. \$2 photograph. As preceding.
8. \$3. Three females; blacksmith at left. CTBNL Dec. 1862.
9. \$3. Female, goods, ships; right Webster and 3; left Indian and 3. Similar to genuine. Thompson 1863.

Central Bank, Middleton

1. \$5 altered from \$1. House, head of female at right. CTBNL June 1855.
2. \$5. Ship under sail, female at right; portrait of Harrison at left. CTBNL Dec. 1857.
3. \$5. Female, shield, factories, & c; female seated at right; sailor at left. CTBNL Feb. 1859.
4. \$5. Battle of New Orleans; cattle at right; goddess of Liberty at left. CTBNL May 1865.

Charter Oak Bank

1. \$5. Two females, eagle, sunrise & c; ship with sails spread at right; mercury flying at left. Genuine notes have a large engraving on the Charter Oak tree. CTBNL Dec. 1857.
2. \$5. At right end, female unlike genuine. CTBNL Jan. 1861.

Citizens Bank, Waterbury

1. \$5 altered from broken Citizens Bank, Washington, DC. Spread eagle. CTBNL June 1855.
2. \$10. Goddess of Liberty; Indian at right; steamship between the signatures. Well done.
3. \$3. Mechanic seated on boiler; boy with basket of corn at right. CTBNL July 1856.

City Bank, New Haven

1. \$5. Center, park; 5, eagle, FIVE at right; 5, state arms, FIVE, eagle at left. Similar to genuine. Thompson 1863.
2. \$10. Center, park. 10, X at right; 10, X at left. Similar to genuine. Thompson 1863.

City Bank of Hartford

1. \$5 altered from \$1 by the passing operation. State House; 5 at upper right; V upper and lower left; ONE erased. Well Done. CTBNL Mar. 1854.
2. \$3. Cattle, train of cars & c; Franklin at lower corner; female feeding eagle at right. Unlike genuine. CTBNL Mar. 1854.
3. \$2. Rail cars; TWO and female with liberty cap at right; TWO, Liberty and TWO at left. Unlike genuine. CTBNL Feb. 1859.
4. \$5. Boy lying under haystack; female and anchor at right, 5 above and below; wagon and house at left, 5 above and below. Danforth, Bald & Co., New York & Philadelphia. 1857.
5. \$1. Photograph. CTBNL Jan. 1861.
6. \$1. Public building; 1, ONE, female and eagle at right; ONE, bridge, cars, vessels, ONE at left. Similar to genuine. Thompson 1863.
7. \$10. Liberty; 10, squaw and child at right; 10, loading wagon with straw at left. Similar to genuine. Thompson 1863.

Connecticut Bank, Bridgeport

1. \$3. Train of cars, female with wreath, scrolls & c. CTBNL Jan. 1857.

Connecticut River Banking Co.

1. \$3. Warrior on horseback; Washington at right; Franklin at left. CTBNL June 1855.

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Clinton Bank, Clinton

1. \$5 altered. Man seated on anvil; woman holding sword at right; bust of Washington at left. CTBNL Apr. 1860.
2. \$1. Train of cars at station; girl shading her eyes with her hand at lower right corner. CTBNL Apr. 1860.
3. \$5 altered. Man, girl, horses &c; 5, V, 5 at right and left. CTBNL Jan. 1861.
4. \$2. Steamship and vessel; 2 and Indian girl at right; TWO and girl feeding chickens at left. CTBNL Apr. 1861.
5. \$2 altered. TWO in lathe-work; 2, female erect at right; 2 negro with cotton at left. CTBNL Apr. 1861.
6. \$5. Train of cars running to the left; 5, female, FIVE at right; 5, male portrait at left. CTBNL Jan. 1865.

Danbury Bank

1. \$1. Indian watching deer; men in oval at left. CTBNL Apr. 1862.

Deep River Bank

1. \$10. Head of wild boar, X on either side; man, Indian, eagle &c at right; deer between signatures. Unlike genuine. CTBNL Mar. 1854.
2. \$3 altered from broken bank note. Man plowing; girl, boy and dog at right; deer between signatures. CTBNL July 1854.
3. \$5 altered from broken bank note. Two females; shield and eagle at right; large circular die at left; deer between signatures. CTBNL June 1855.
4. \$20 altered from a Michigan affair; antelope between two 20s; two females at right. CTBNL June 1855.
5. \$2 altered from \$1. Venus rising from sea; female at right; 2 at left. CTBNL June 1855.

East Haddam Bank

1. \$5 altered from broken bank note. Ship under sail; Washington at right; rail cars at left. CTBNL June 1855.
2. \$1. Indian hunting deer, men gathering cotton at left; 1, female portrait at right end; ONE at left end. CTBNL Dec. 1861.
3. \$1. Girl seated, calf and sheep; 1 and female portrait at right; 1, telegraph wire and aqueduct at left. CTBNL Dec. 1861.
4. \$1. Group of cattle, some resting at right; waterfall, half-clad figure holding branch at left. CTBNL Apr. 1862.



Imitation. Fairfield County Bank, Norwalk, #3 (see listing following)

Exchange Bank, Hartford

1. \$1. Female and eagle, female in both lower corners. CTBNL June 1855.
2. \$5. As above. CTBNL July 1856.
3. \$10 altered from genuine \$1. Female and two children; two farmers with rake and pitchfork at right. CTBNL June 1855.
4. \$10 altered. Two females seated on rock; female at right; medallion head and two Xs at left. CTBNL Jan. 1857.
5. \$5. View of wheat field; portrait of girl and 5 at right; head of dog and 5 at left. CTBNL Dec. 1857.
6. \$5. Cattle and railroad cars. CTBNL Dec. 1857.
7. \$10. Indian, horses, buffaloes &c; 10 in each corner. CTBNL Sept. 1858.
8. \$2. Agricultural scene; infant Mercury at lower right; man plowing lower left. CTBNL Sept. 1861.



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9. \$2. Female seated resting arm on shield with cotton tree on it, portrait of Jackson at left; Georgia State arms right; 2, two Indian chiefs looking at city in distance at left. CTBNL Sept. 1861.
10. \$1. Indian hunting deer, men picking cotton on left; 1, female portrait at right; ONE across left end. CTBNL Sept. 1861.

Fairfield County Bank, Norwalk

1. \$5. Two females, anchor, liberty cap, horn of plenty and two vessels in background; 5, FIVE, Washington at right; FIVE at left. Well done and likely to deceive. CTBNL July 1856.
2. \$5. Country scene; female, anchor &c at right; wagon, house &c at left. CTBNL Mar. 1854.
3. \$10 imitation. Female with horn of plenty and 10 at either side; goddess of Liberty at left. Well executed. CTBNL Feb. 1865. (See photo page 380)
4. \$10 imitation. Similar to above.. CTBNL Feb. 1865.
5. \$3. Ship, sea, lighthouse &c; 3 at right; THREE, female, THREE at left. Similar to genuine. Thompson 1863.
6. \$3. Large 3 with THREE DOLLARS overprint; 3, female in clouds at right; THREE, male portrait at left. Similar to genuine. Thompson 1863.

Farmers Bank, Bridgeport

1. \$1. Hunting scene; Indian at right; female at left. CTBNL Mar. 1854.
2. \$10 altered from \$2. Female and bale of cotton; portrait right; female and sheaf of wheat at left. CTBNL Mar. 1854.
3. \$5. Reaper lying under tree, with scythe, rake &c. 5 at each end; right and lower corner medallion head; half-length female figure at left. The engraving is well executed with the exception of the word BRIDGEPORT, which is blurred. It is engraved in small letters, forming a half circle. CTBNL June 1855.
4. \$10 altered from \$1. Horses drinking, girl and glowers at right. CTBNL Jan. 1857.
5. \$5. Man seated, wagon wheel; man's head at right. CTBNL Dec. 1857.
6. \$2. Cattle standing left-center; male portrait right center; 2 and 2 left end; 2 TWO 2 at right end. Dec. 1, 1856 printed. (Example below: face stamped COUNTERFEIT; back COUNTERFEIT / SUFFOLK BANK)



Counterfeit. Farmers Bank, Bridgeport, #6



Farmers & Mechanics Bank, Hartford

1. \$20 altered from \$2. State arms; eagle at right; female at left. CTBNL Mar. 1854.
2. \$50 altered from smaller denomination. Indian and female; lady's head at right; female at left. CTBNL July 1854.
3. \$3. Two females, 3 between them; female and eagle at right. CTBNL July 1856.

Hartford Bank of Connecticut

1. \$1 altered. Woman, sheaf of wheat and sickle; 1 right upper corner; Washington lower corner; large bull in circle over word BANK. CTBNL Feb. 1859.
2. \$1. ONE, head, signing Declaration of Independence, ONE, head; 1, medallion head, 1 at right; 1, medallion head 1 at left. Similar to genuine. Thompson 1863.
3. \$2. Anchor &c; male and female at right; male, female and cattle at left. CTBNL Feb. 1858.
4. \$2. TWO, head, river, steamboat, ship, TWO, head, city; 2, medallion head, 2 at right; 2, medallion head, 2 at left. Similar to genuine. Thompson 1863.
5. \$3 altered. Female, eagle, shield &c; female at right; bust of Washington at left. CTBNL Feb. 1859.
6. \$3. Imitation of genuine; poorly done. CTBNL Jan. 1861.
7. \$3. Anchor, anvil, sheaf and barrels; 3, man, two females seated, dog, oxen at right; THREE, sailor, mechanic, two females seated harbor and city at left. Similar to genuine. Thompson 1863. (Example below)



Imitation of genuine. Hartford Bank of Connecticut, #7

8. \$5 altered from smaller denomination. Two females and portrait of Washington; Jenny Lind at right; head of female at left. CTBNL Mar. 1854.
9. \$5. Perry's Victory; Indian at right; female at left; ship between signatures. Very well done. CTBNL June 1855.
10. \$5 spurious. Two females floating through clouds; shield, eagle &c; two figures on each end of note. Engraved by W.L.Ormsby. CTBNL Dec. 1857.
11. \$5. Two females and eagle in center; large 5 each side. CTBNL Dec. 1857.
12. \$5. V.D. (\$5), shield with three monogram letters; five silver dollars at left; V upper left and 5 upper right. July 2, 1806.

Hartford Bank of Connecticut, #12 (below)



13. \$10 raised from \$1. Steamships and sailing vessels. CTBNL May 1865.

Hatters Bank, Bethel

1. \$5 altered. Female making hats. CTBNL Dec. 1857.
2. \$10. As above.
3. \$10. Two men, horses, plow and fence; 10 female at right; 10 locomotive at left. CTBNL Jan. 1865.

Hurlbut Bank

1. \$5 altered from genuine \$1. Genuine \$5s have cattle swimming river at left; \$1s have drove of horses at upper left corner. CTBNL June 1855.
2. \$20 altered from smaller note; Child's head; Lewis Cass at right; female blowing horn at left. CTBNL Jan. 1857.

Iron Bank, Falls Village

1. \$5. Locomotive, cars, bridge &c. Unlike genuine. CTBNL May 1865.
2. \$5. Female feeding, eagle. Unlike genuine. CTBNL June 1855.

Jewett City Bank

1. \$20 altered from \$1. Drove of sheep, shepherd's dog, man, horse. CTBNL June 1855.
2. \$20 altered from a broken affair. Bee hive, sheaf of wheat, farming utensils &c rail cars in distance; eagle at right; female and eagle at lower left. CTBNL July 1856.

Manufacturers Bank, Birmingham

1. \$2. Figure with Cupid on each side; train of cars at right between words TWO; two females, eagle & shield with figure 2 underneath at left. CTBNL Aug. 1856.
2. \$1. Two females, two cupids, figure 1 between them; Mercury with horn of plenty at right. CTBNL Aug. 1856.
3. \$20 altered from \$1. View of town; ship at right; portrait of Washington at left. CTBNL Mar. 1854.
4. \$3 altered from some broken affair. Man and woman in a sea car drawn by horses; female and sheaves of grain at right; scrolls and figure 3 at left. CTBNL July 1856.

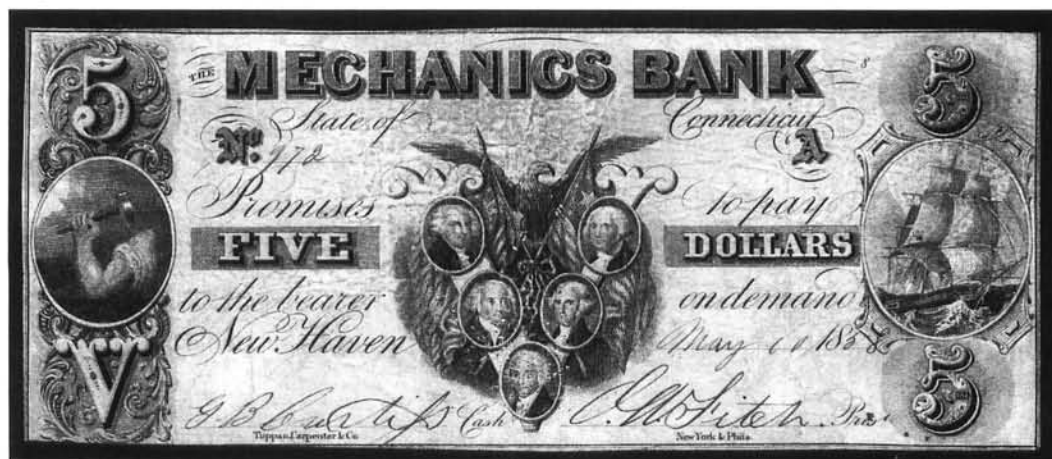
Manufacturers' Bank, Hartford

1. \$3. Train of cars running to the left; 3, female, shield &c THREE at right; 3, man with scythe at left. CTBNL Aug. 1860.

Mechanics Bank, New Haven

1. \$20. Female, bale, spinning wheel &c; Washington at right; sheaves of grain at left. CTBNL Aug. 1856.
2. \$2. Female, sheaf of wheat, railroad in distance. CTBNL July 1856.
3. \$3 photograph. Woman seated, shipping &c; female and shield at lower right corner. CTBNL Feb. 1859.
4. \$10 imitation. Sailor, bag, bales &c; female and shield at lower right corner. CTBNL May 1865.
5. \$5. Female, eagle, globe, flag; 5, ship, 5 at right; 5, arm and hammer, V at left. Similar to genuine. Thompson 1863.
6. \$5. Five presidents, flag, eagle; 5, ship, 5 at right; 5 arm and hammer, V at left. Similar to genuine. Thompson 1863.

Mechanics Bank, New Haven #6 (below)



7. \$20. Three females, precipice; 20, female at right; 20 at left. Similar to genuine. Thompson 1863.

Mercantile Bank, Hartford

1. \$3. Reaper lying under stack of grain; sailor on mast at right. Unlike genuine. CTBNL July 1856.
2. \$5. Train of cars; female and scrolls at right; portrait of Harrison at left. CTBNL Jan. 1857.

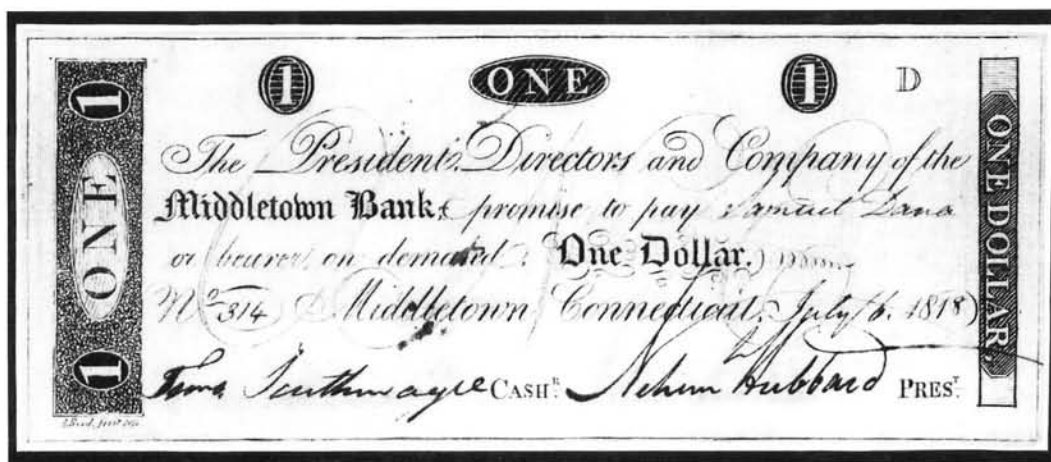
3. \$5. Locomotive and train of cars; female figure resting left arm on shield with word FIVE resting on it perpendicularly at right; figure 5 is between female figure and cars; portrait of Harrison at left lower corner; FIVE at left upper corner. Jan. 18, 1856. CTBNL Jan. 1857.
4. \$10 altered from \$1. Female, safe and water scene. CTBNL Jan. 1857.
5. \$3 altered. Train of cars; 3, female, shield &c at right; THREE at left, 3, man with scythe. CTBNL Jan. 1861.

Merchants Bank, New Haven

1. \$1. Bull and horse; Indian at right; female at left. CTBNL Aug. 1856.
2. \$3. Two females; ship at right; milk maid at left. CTBNL June 1865.
3. \$10. Sailor, flag, bales &c; female and shield at lower right; Indian and dog at lower left. CTBNL July 1856.
4. \$5. Sheaf of wheat &c; Indian at right. CTBNL July 1856.
5. \$10. Country scene, man plowing with oxen; Indian at lower right; Harrison at left; head of female at upper left. Unlike genuine. CTBNL July 1856.
6. \$2. Female, sheaf of wheat &c; Indian at right. CTBNL July 1856.
7. \$1. Indian hunting deer; 1, female portrait at right; men picking cotton at left, ONE across left end. CTBNL Dec. 1861.
8. \$1. Train of cars running left; 2, female sitting in 2 at right; 2, Franklin, TWO at left. CTBNL Apr. 1862.
9. \$1. Sheep and horses drinking at well. CTBNL Dec. 1862.
10. \$2. Train of cars running left; 2, female sitting in 2, TWO at right; 2, Franklin, TWO at left. CTBNL Apr. 1862.

Merchants Bank, Norwich

1. \$10. Very well engraved. No engraver's name on note. CTBNL Aug. 1856.
2. \$1. Country view, bull and horse; Indian at right; female at left. CTBNL July 1856.
3. \$5. Eagle and shield; female with bow at right; FIVE across left end. CTBNL July 1856.
4. \$2. Female, sheaf of grain &c; Indian with upraised hand at right. CTBNL July 1856.
5. \$10. Nude man sitting on rocks, ship in distance; two 10s and portrait at right; 10 St. George and dragon at left. Unlike genuine. CTBNL July 1856.
6. \$10. Railroad cars &c; ship at right; Harrison at left. CTBNL Dec. 1857.
7. \$5. Locomotive, cars &c; ship at right; portrait at left. Unlike genuine. CTBNL Feb. 1858.
8. \$1. Indian hunting deer; 1, female portrait at right; man picking cotton at left, ONE across left end. CTBNL Dec. 1861.
9. \$1. Eagle, shield &c; 1 and female at right; ONE, female, ONE at left. CTBNL Dec. 1861.



Middletown Bank #1 (following)

10. \$2. Females and river scene; female and 2 at right; ship at left. CTBNL Dec. 1861.
11. \$2. Forest scene, men chopping wood. CTBNL Apr. 1862.
12. \$2 altered from \$1. CTBNL Apr. 1862.
13. \$5. Train cars running left; 5, sailor seated with spyglass at right; 5, male portrait, FIVE at left. Similar to genuine. Thompson 1863.

Merchants Exchange Bank, Bridgeport

1. \$3 altered. Female, sheaves of grain &c; Mercury flying at left. CTBNL Dec. 1857.

Meriden Bank

1. \$3. Two females, shield, anchor, eagle &c. with head each side; female at each end. Unlike genuine. CTBNL Aug. 1856.
2. \$20. Male and female with rake and pitchfork; TWENTY at right; medallion head at left. CTBNL Mar. 1854.
3. \$50 altered from \$1. Female with sheaf of grain, village in background; goddess of Liberty at left; eagle between signatures. CTBNL July 1856.

Middlesex County Bank

1. \$20 altered from smaller denomination. Three men, rocks &c; female portrait at right; head of Lafayette at left. CTBNL Mar. 1854.

Middletown Bank, Middletown

1. \$1. ONE, 1 each side; ONE DOLLAR at right; ONE, 1 each side at left. July 16, 1818. (See page 385)
2. \$3. Three females, cars, 3; THREE across right; THREE across left. Similar to genuine. Thompson 1863.
3. \$3. THREE, 3 each side; THREE DOLLARS right; 3, THREE, 3 at left. July 9, 1819. (Below)



Middletown Bank #3

Mystic Bank

1. \$3. At upper right corner is figure of white man and Indian, with sextant and globe, with spread eagle on it; female seated at bottom left; female sitting between signatures. Deceptive note. CTBNL Mar. 1854.
2. \$3 altered from some broken bank. Flying Cupid; three females at right. Unlike genuine. CTBNL June 1855.
3. \$5 altered. Bust of Washington; female with basket of flowers at right; sailor at left. CTBNL Sept. 1858.

New Britain Bank

1. \$5 raised from \$1. Blacksmith working at bench; large 5 at right. CTBNL Jan. 1865.

New Haven County Bank

1. \$3 photographed. CTBNL Jan. 1861.
2. \$5 photographed. CTBNL Jan. 1861.
3. \$3. Harvest scene with 3 each side; THREE and woman at right; 3, woman with sheaf of wheat, THREE at left. CTBNL Jan. 1861.
4. \$5. Eagle, ships, steamboats &c; 5, female portrait at right; 5, man at left. Similar to genuine. Thompson 1863.

New London Bank

1. \$1 altered. Train of cars; 1 and girl at right; ONE, horse and cart at left. CTBNL Apr. 1860.
2. \$10 altered. Indian, squaw &c; 10 and female seated at right; 10 and bust of female at left. CTBNL Apr. 1860.

Norfolk Bank, Norfolk

1. \$3. Horses, pilgrims trading with natives; female and large 3 near center. CTBNL Apr. 1862.

Norwich Bank

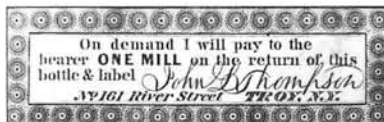
1. \$10. Boar's head, X each side; coat of arms at right. CTBNL June 1855.
2. \$20 altered from genuine \$1. "... are in circulation in the State of Iowa. The true one dollar bills have, for a vignette a female figure resting upon the plow and other agricultural implements, bearing in her uplifted

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**The article on Treasury Notes of the War of 1812 in this issue is also dedicated to my father, for without his encouragement it would not have been written - Don Kagin

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right hand some stalks of wheat, while her left grasps a sickle and supports a sheaf. On either side of the vignette is the figure 1. The true twenty dollar bills have, as a centre vignette a female figure scattering coins from an open bag. In the background on her right is a ship and on her left, the figures 20 engraved in a rock. On each side of the vignette, between it and the ends, appear the figures 20. At the left end of the bill the word CONNECTICUT occupies the middle, while the characters XX appear at the top and bottom. At the right end, the figures 20 are twice repeated. At the bottom separating the signatures of the cashier and President is a steamboat. The altered bills are very skillfully and successfully executed, and consequently, well calculated to deceive." CTBNL June 1855.

3. \$1. Shield, arrows, female &c; reapers at right; female at left. CTBNL Dec. 1862.

Ocean Bank, Stonington

1. \$2. Steamboat; sailor and flat at left. Poor imitation of genuine. CTBNL Aug. 1856.
2. \$5. Men in forest cutting wood; 5 and men gathering corn at right; men shearing sheep at left. CTBNL Dec. 1861.

Pawcatuck Bank

1. \$50. Angel in clouds; female each side below. CTBNL May 1865.
2. \$2. Mechanics, shipyard, 2; 2, two squaws at right; 2 at left. Similar to genuine. Thompson 1863.

Pequonnock Bank, Bridgeport

1. \$2 photographed. CTBNL Aug. 1860.
2. \$1 altered. Female each side of large figure 1; ONE, female, ONE at right; ONE, two men carrying a female, ONE at left. CTBNL Apr. 1861.

Phoenix Bank, Hartford

1. \$10. Locomotive and cars. CTBNL Jan. 1857.
2. \$5. Three females; 5, V, 5 at right; 5, V, 5 at left. Similar to genuine. Thompson 1863.

Quinebaug Bank, Norwich

1. \$2. Female reclining; two females at right cupids at lower left. Very coarse. CTBNL Sept. 1858.

Quinnipiack Bank

1. \$5 altered from genuine \$1. Indians in canoe. CTBNL July 1856.

Rockville Bank

1. \$3. Steamboat, locomotive, cars &c; female at right. CTBNL Jan. 1857.
2. \$5 altered from \$1. Female tending looms. CTBNL Jan. 1857.
3. \$1. Poor imitation of genuine. CTBNL Jan. 1857.
4. \$3. Female, sheaf of grain, cows &c. female at right. Unlike genuine. CTBNL Jan. 1857.
5. \$5 altered. Drove of horses; girl at right. CTBNL Feb. 1859.

Saugatuck Bank

1. \$2. Horseman pursuing cattle on prairie; Indian at lower right; female at lower left. Poorly done. CTBNL Mar. 1854. (Below)
2. \$5 altered from \$1. Man and boy driving sheep; man sowing seed at right. CTBNL Jan. 1857.
3. \$10. Man, horse, boy and sheep. CTBNL Jan. 1857.



Saugatuck Bank #1

Saybrook Bank

1. \$5. Female, wheat, agricultural implements &c; female at lower right; Harrison at lower left. Poor affair. CTBNL July 1856.
2. \$3. Female, bale, ship &c; 3 at right; THREE across right and left. Similar to genuine. Thompson 1863.

Shetucket Bank

1. \$20 altered from \$2. Farmers nooning; female bust lower right center; cattle, hay wagons &c. at left. CTBNL Jan. 1857.
2. \$5 altered from \$1. Man, woman and child; sailor at right; bust of female at let. CTBNL Jan. 1857.
3. \$10 altered from \$1. As above. CTBNL Jan. 1857.

Southport Bank

1. \$10 altered from \$2. Three men standing; Indian woman at right; ship at left. CTBNL June 1855.
2. \$2 photograph. Three men; female and child at lower right; ship at lower left. CTBNL Jan. 1857.
3. \$2 raised. Three females; Martha Washington at right; Washington at left. CTBNL Sept. 1858.
4. \$1 imitation. Three females around shield surmounted by eagle. Red ends. CTBNL Dec. 1861.
5. \$3 imitation. Train of cars; 3, two farmers with rakes at right; THREE, male and female Indians on rock overlooking river and village, THREE at left. CTBNL Feb. 1865.

Stafford Bank

1. \$10 raised from \$2. Two females, girl, two cows, milk pail, ship, house &c; female with scales, eagle at lower right; head of Washington at lower left. CTBNL Sept. 1858.

Stamford Bank

1. \$10. Train of cars; female, sword, steamboat at right end. Unlike genuine. CTBNL mar. 1854.
2. \$5 altered from genuine \$1. View of Stamford Bank; goddess of Liberty at left. CTBNL June 1855.
3. \$10 altered from broken bank affair. Eagle; woman and Indian at right. CTBNL July 1856.
4. \$3. River, boat, cars, bridge, portrait each side; 3, female, THREE at right; THREE, Washington, THREE at left. Similar to genuine. Thompson 1863. (Below)



Stamford Bank #4

State Bank, Hartford

1. \$5. Arms, female on right, flags; 5, females, tools &c, FIVE at right; 5, sailor, goods, FIVE at left; Similar to genuine. Thompson 1863.
2. \$100. Eagles on shield; 100, man, cornucopia, 100 at right; 100, female, anvil, 100 at left. Similar to genuine. Thompson 1863.

Thames Bank

1. \$5 altered from \$1. Cattle &c; man and horse at lower right; FIVE in red letters on bottom; CTBNL Mar. 1854.
2. \$5 altered from \$1. Cattle &c; man and horse at lower right; FIVE in red letters on bottom; CTBNL June 1855.
3. \$5. Five cupids encircled in figure 5; 5, female, FIVE at right; FIVE, Male, 5 at left. CTBNL Sept. 1858.
4. \$2 altered. Man and woman standing by well; female supporting 2 at right; two silver dollars at left. CTBNL Feb. 1859.
5. \$5. Four men loading hay on wagon with two oxen at right; men with cattle in a stream at left. CTBNL Apr. 1862.

Thompson Bank, Thompson

1. \$3. Large 3, oval female portrait each side; 3, blacksmith seated at right; 3, Washington on horseback at left; Some of these bills have a portrait of Franklin on the right end, and a portrait of Washington on left end. CTBNL Feb. 1865.

Tolland County Bank, Tolland

1. \$100 imitation. Spread eagle on branch of tree, aqueduct and cars; 100, Vulcan seated at right. CTBNL Dec. 1862.
2. \$10. Two females, factories; 10, girl at right; 10 female at left. Similar to genuine. Thompson 1863.

Tradesmen's Bank, New Haven

1. \$5. Female, barrel, urn, ships; female and agricultural scene at right; portrait at left. CTBNL Jan. 1857.
2. \$1 altered. Battle scene; house at right; female portrait at left. CTBNL Dec. 1857, CTBNL Feb. 1858.

Uncas Bank, Norwich

1. \$5 altered from \$1. Two figures working a press; female, sheaf of grain at right; blacksmith at left. CTBNL Aug. 1856.
2. \$10 altered from \$1. As above. CTBNL July 1856.

Union Bank, New London

1. \$5. Five male busts with 5; steamboat at right; anchor and shield at left; blue tint. CTBNL Feb. 1859.
2. \$10 altered. Men, horse, dogs, X and child, bust at right; X, sportsman with gun and dogs at left. CTBNL Feb. 1859.

Waterbury Bank

1. \$10 altered from \$1. Two females; two females at right; two females at left. Unlike genuine. CTBNL Mar. 1854.
2. \$10. Steamship, ships &c; Washington at right. CTBNL July 1856.
3. \$1. Indian hunting deer; 1, portrait at right; men picking cotton at left; ONE across left end. CTBNL Sept. 1861.
4. \$10. Well executed. CTBNL Dec. 1861.
5. \$10. Female seated with key; 10, goddess of Liberty at right; 10, female and scales at left; dog's head between signatures. "Refuse all \$10s." CTBNL Dec. 1861.
6. \$10. Female in 10, bridge, cars &c; 10, female at right; 10, female at left. Similar to genuine. Thompson 1863.

Whaling Bank, New London

1. \$2 altered. Steamship, Indian girl at right. CTBNL Jan. 1861.

Windham Bank

1. \$20 altered from \$1. Harvest scene; frogs at right; female with a shield at left. CTBNL June 1855.
2. \$10 altered from smaller note. Two cows, female at right; mechanic at left. CTBNL Jan. 1857.
3. \$5 altered from \$1. Three men and one woman in a field; two frogs at right. CTBNL Jan. 1857.
4. \$5 altered from \$1. Similar to above. CTBNL Jan. 1857.
5. \$20 altered from small note. Farmer, sailor and mechanic; girl with a bundle of faggots (sticks) at left. CTBNL Jan. 1857.
6. \$10 altered from small note. Two cows; female at right; mechanic at left. CTBNL Jan. 1857.

Winsted Bank

1. \$1. Train of cars; 1, bust of man, ONE at right; 1, bust of man, ONE at left. CTBNL Aug. 1860.

Wooster Bank, Danbury

1. \$5 altered. Capitol at Washington; 5 and female at right; 4, state arms, FIVE at left. CTBNL Apr. 1860. ❖

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The PRESIDENT'S Column

Benny Bolin



New President Outlines Future

HELLO TO ALL! AT THE ANNUAL BOARD OF Governor's meeting of SPMC held in June at the International Paper Money Show in Memphis, I had the extreme honor and privilege to be elected President of the Society. This is a role that I take with pleasure, excitement and humility. Many of you know me, but if you don't, just a little about myself. I live in Allen, Texas, just 30 miles north of Dallas. I have been collecting for 41 years, actively paper since 1982. My primary collecting focus is Fractional Currency and South Carolina obsoletes.

As we enter into this new era of SPMC with a new President, Vice-President, Treasurer and two new governors, my goal is to have a board that is extremely responsive to its members. You elected us as governors to serve you and take the hobby forward into the future with innovation and involvement. I am working to have the board increase its communication, not only internally, but with the membership and the hobby as a whole. My belief is that communication is the most integral part of any organization. However, communication **MUST** be two-way. Not only will we need to communicate with you, but I urge you to communicate with us. Ask us your questions and let us know your concerns and your ideas. I make you the pledge that I will present all of your concerns and ideas to the board, and we will discuss them and act as we are able. Just remember, this is your Society and your input is needed.

At the board meeting, we made a decision on the 1929 Project. We have decided to let those in the field who have more data, knowledge and resources continue with it. All of the data that has been submitted for this project will be sent to the librarian. Hopefully it will be available around the first of the year to anyone who wants a copy for the cost of mailing and copying. We have also decided to institute a method of paying dues and other payments to the society via credit card. Treasurer Moon is working now to set this up. We are also working on a new committee structure, our regional meeting initiative and we are investigating a program that will rely on some of you to help us as speakers for clubs and shows.

Overall, I am very excited and honored to be your new President. I hope you will find that I fulfill that task in a manner that is pleasing to you. If not, please let me know. I am not able to attend that many national shows, but I will be at the PCDA show in St. Louis in November. Find me and bend my ear for a while.

I want to thank Wendell Wolka and Arri Jacob who did not run for re-election to the board for all their hard work and efforts on behalf of the society. Wendell will be continuing with us in a number of appointed capacities. I also would like to thank Ron Horstman for his leadership the last two years as President.

Benny ❖

\$ money mart

PAPER MONEY will accept classified advertising on a basis of 15¢ per word (minimum charge of \$3.75). Ad must be non-commercial in nature.

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Authors are also offered a free three-line classified ad in recognition of their contribution to the Society. These ads are denoted by (A) and are run on a space available basis. **Special: Three line ad for six issues = only \$20.50! (wow)**

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SHAWNEE AND KINGFISHER Oklahoma Nationals wanted #9998 and #6416 with George McKinnis signature. Large size #9954 and #5328. Carl Cochran, 12 Pheasant Dr., Asheville, NC 28803, e-mail clcochrane@prodigy.net (243)

EUREKA SPRINGS, ARKANSAS Banknote wanted. Also any related contemporary banking material. Martin Roenigk, 75 Prospect Ave., Eureka Springs, AR 72632. (479) 253-0405. mroenigk@aol.com (239)

KANSAS NBNS WANTED. Goodland #14163, Olathe #3720, Pleasanton #8803. A.R. Sundell, Box 1192, Olathe, KS 66051 (236)

BANK HISTORIES WANTED. Collector seeking published histories of banks which issued Obsoletes and/or Nationals. Also seeking county/state/regional banking histories. Bob Cochran, PO Box 1085, Florissant, MO 63031 e-mail: spmclm69@cs.com (234)

LINCOLN PORTRAIT ITEMS. Collector desires bank notes, scrip, checks, CDVs, engraved/lithographed ephemera, etc. with images of Abraham Lincoln for book on same. Contact Fred Reed at P.O. Box 118162, Carrollton, TX 75051-8162 or freed3@airmail.net (245)

WANTED. Canadian Chartered Bank Notes. Wendell Wolka, PO Box 1211, Greenwood, Indiana 46142 (234)

WANTED KANSAS. Obsoletes -- Checks -- Drafts. S. Whitfield, 879 Stillwater CT, Weston, FL 33327 (234)

SOUTH BEND, INDIANA. Obsolete paper money from South Bend or St. Joseph County wanted. Bob Schreiner, POB 2331 Chapel Hill, NC 27515-2331; email: rcschreiner@mindspring.com (234)

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DC AND NY BANK HISTORIES WANTED. Collector seeks published works for research. Alan Palm, 301 G St. SW-Apt. 201, Washington, DC 20024; (202) 554-8976; e-mail aspalm2003@yahoo.com (244)

WANTED RADARS, REPEATERS, low and fancy serials 1928-1963 also Large Size 8 digit radars and repeaters. Logan Talks, 14 Misty Cove Ln., Hilton Head Island, SC 29928 (243)

MASSENA, NEW YORK #6694 bank notes wanted, large or small size, also obsolete and related materials to Massena banks. John White, P.O. Box 3183, Spring Hill, FL 34606 (243)

POTSDAM, NEW YORK #868 and #5228 bank notes wanted, large and small size, also obsoletes and materials relating to Potsdam banks. John White, P.O. Box 3183, Spring Hill, FL 34606 (243)

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When the National Debt Was Actually Paid

By Forrest W. Daniel

THE NATIONAL DEBT WAS ACTUALLY PAID -- ONCE! And not only that, the remaining surplus was distributed to the States in the form of a deposit which could be reclaimed at the pleasure of the federal government. That was in 1837. Congress finally decided a recall of the \$28,000,000 would do little to alleviate the debt of nearly a trillion dollars which had accrued since 1837, so on December 28, 1980, President James E. Carter signed a bill to confirm the distribution and cancel the deposit clause of the original act. The money finally belonged to the states, which was the idea in the first place.

In addition to the regular borrowing necessary to maintain the day-to-day business of the United States at its inception and early years, there were two massive loans which greatly expanded the public debt. The first was the funding of the domestic debt amassed during Revolutionary and Confederation years. The assumption of that inflated debt by the Act of August 4, 1790, even when reduced to its specie value, (about \$1 for \$100) amounted to \$64,456,963.90. And loans to finance the War of 1812-1815 brought in only \$34,000,000 specie value for more than \$80,000,000 of indebtedness, plus interest.

The funds to pay federal obligations came principally from import duties, levies on the tonnage of ships and in later years the sale of public lands. The only direct taxes levied to finance the War of 1812 were enacted too late to pay any of the costs while the war was being carried on. The nation was so prosperous, despite repeated temporary setbacks, during the post-war period 1816-1836 that the entire national debt was retired and the surplus was so great that something had to be done about it.

As early as 1816 it was suggested that the yearly estimated surpluses of between \$2 and \$6 million, be distributed to the states, with internal improvements -- roads, canals, railroads and the like-being a suggested use for the funds. Twenty years later the debt was virtually paid by January 1, 1835, so in 1836, with a projected surplus of \$50,000,000 at the end of the year, Congress, passed a bill on June 23 to distribute the January, 1837, surplus to the several States in proportion to their representation in Congress.

The suggestion that the government, itself, spend the money on internal improvements was rejected. The Democratic administration of President Andrew Jackson was firmly

Certificate of Deposit issued by the New England Commercial Bank, Newport, for funds received on deposit from the State of Rhode Island. The money was part of the second installment of Treasury deposits under the Act of June 23, 1836.

To all Persons to whom these Presents shall come.

The *New England Commercial Bank* a banking corporation established by the General Assembly of the State of Rhode Island and Providence Plantations, and located in *Newport* in the County of *Newport* hereby acknowledges to have received of *John Bowen* Governor, *Henry Bowen* Secretary, and *John Bowen* General Treasurer, Commissioners appointed by an act of the General Assembly of said State, at the session thereof, on the last Monday of October, one thousand eight hundred and thirty six, the sum of *One thousand and sixty nine dollars, sixty six cents* in Deposit, under and in conformity with the provisions of the aforesaid act, entitled "an act to provide for the disposition of the proportion of the money of the United States to be deposited with this State, by virtue of an act of Congress, entitled an act to regulate the Deposites of the Public Money, approved June 23, 1836; and also to provide for the appropriation of the interest arising from said money."

And the said Corporation by their corporate name aforesaid, do hereby covenant and agree to and with said Commissioners and their successors, to pay an Interest at the rate of Five per cent. per annum for the use of said money, at the time and in the manner specified by said act; and to pay over said amount so deposited, or any part thereof, to the order of said Commissioners or their successors, whensoever required, in conformity with the provisions of said act.

In Testimony whereof the President of said Corporation, being thereunto authorized by the Board of Directors, has subscribed his name, and affixed the seal of said Corporation hereunto, this *third* day of *April* A. D. 183*7*.

Signed sealed and delivered in presence of

John A. Allen

Geo. Bowen Pres

At a meeting of the Directors of the

A. D. 183

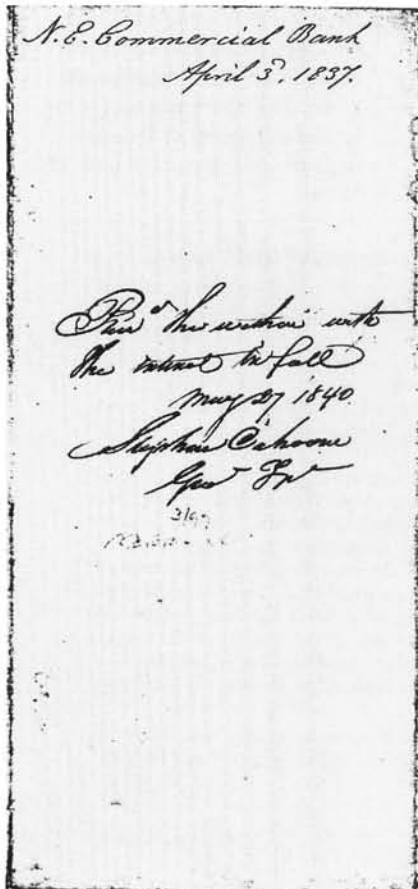
voted, that we will accept in behalf of said Bank our proportion of the Public Money, in Deposit, under the provisions of the act of the General Assembly passed in October last, entitled "An act to provide for the disposition of the proportion of the money of the United States to be deposited with this State, by virtue of an act of Congress, entitled An act to regulate the Deposites of the Public Money, approved June 23d, 1836; and also to provide for the appropriation of the interest arising from said money."

Voted, That the President of this Bank, be and he is hereby authorized and directed to execute all necessary instruments therefor, and affix the Seal of the Corporation thereto.
True copy—witness:

Cashier.

Uncompleted second page of the New England Commercial Bank Certificate of Deposit.

Memorandum of receipt upon repayment of deposit, endorsed on back of the certificate.



opposed to any federal funding for internal improvements. It was the duty of the States, alone, he believed, to finance their own internal development. Congressmen opposed to the distribution felt that although \$5,000,000 was reserved as a normal carry-over, at least some of the money might well be needed again sometime in the future. They were strong enough to modify the form of the distribution into a deposit of the funds, subject to recall when needed.

The form of the required certificates of deposit and terms for recall of the money

were set out in the Act, although no one really believed that would ever happen. The deposits with the States were to be made quarterly beginning in January 1837. The supposed \$50 million surplus dwindled to \$42,000,000 by December 1, and to \$37,468,859.97 when it was divided the first of January.

Although some believed the funds should have been divided according to population, the amounts were based on each state's Congressional delegation: New York, with 42 members, was to receive \$5,352,694.28; Arkansas, Michigan and Delaware each had three members and anticipated \$382,335.31. The amount to be divided among the States was \$37,468,859.97; the initial installment was \$9,367,214.98.

The first two payments were made in specie or its equivalent; but when the third payment fell due on July 1, the States were offered, and gladly accepted, depreciated paper. The Treasury was short of funds for the October installment, so payment was delayed until January 1, 1839; but when that day arrived again no funds were available, and never since until recent years has there been a surplus. While the final total \$28,101,645 of deposits could have been recalled, they never were.

The deposit of funds was the last of a number of massive transfers of public funds in the 1830s. The Bank of the United States, as financial agent for the Treasury, was responsible for having the required funds, specie or its equivalent, in place when and where it was needed to make payments. That process could involve massive purchases of internal or foreign exchange and often the transfer of specie between distant markets, all at the bank's expense. The movement could, and did on several occasions, cause serious disruption of regular mercantile operations. While the liquidation of the national debt was spread over several years, it left the Treasury's balance at the Bank of the United States at a lowered total.

In consequence of President Jackson's opposition to the Bank, on September 26, 1833, the Treasury began to deposit its receipts in seven private banks rather than the Bank of the United States, while it continued to make regular withdrawals from that bank. Only one of the seven banks receiving deposits was not solidly Jacksonian; the number of "pet banks" increased later. Until the Act of June 23, 1836, however, no standards defined the requirements necessary for a state bank to qualify for Treasury deposits. Thus, when the Treasury surplus deposits were made to the States (under the same Act) in January, 1837, it was the eighty-eight pet state banks which were called upon to produce those funds in specie, in large amounts, in short order.

Many of those banks and bankers were unacquainted with that type of business, but they were able to make the first two installments in specie, padded the third with depreciated paper and flunked the fourth payment. Most of the banks were forced to suspend specie payment in the spring; only five or six continued to redeem their notes in specie and to remain deposit

banks. Even had the banks been able to produce specie to pay the final installment, the Treasury did not have sufficient funds to cover the account. The surplus was gone. The distribution of funds to the States was the ultimate reason the Treasury had to issue \$10,000,000 of Treasury Notes to cover its normal obligations in 1837.

Just what the States did with their windfall would require a great deal of research, and it appears an accurate account would be difficult to find. Even John Jay Knox, writing in 1885, was uncertain how the states treated the deposits:

The data for a full investigation of this subject are not at hand, but it is known that the States of Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, North Carolina, Illinois, Indiana, Kentucky, Ohio, and Missouri appropriated a considerable portion of the income from this fund to the support of public schools; . . . In some instances the States used the funds for internal improvements . . .

And there were other designs on the money. In January, 1861, Secretary of the Treasury John A. Dix wanted to withdraw the deposits from the States, but according to authorities there was no way it could be done. In 1883 and 1884 the States of Arkansas and Virginia petitioned the Secretary of the Treasury under the Act of June 23, 1836, for payment of the fourth installment, again without success.

When the second \$127,445.10 installment of the deposit was received by the State of Rhode Island, a commission appointed by the General Assembly disbursed the funds into deposits in various state banks. Governor John Brown Francis, Secretary Henry Bowen and General Treasurer John Sterne assigned \$1,069.66 to The New England Commercial Bank in Newport and received a certificate of deposit bearing five per cent interest dated April 3, 1837, signed by Geo. Bowen, president, and blind sealed with the bank's monogram on yellow paper. The certificate was cashed with interest in full on May 27, 1840, and the funds put to some other use for the benefit of the state.

While it is believed many of the states disbursed the deposited funds for various uses during nearly century and a half, several carried the deposit accounts into recent time. The Associated Press reported the effect of the release of funds in New Jersey where \$764,670.60 was still in the trust fund. New Jersey had withdrawn interest on the account annually and placed it in the general fund or invested it; since 1978 the interest had been transferred to the New Jersey Cash Management Fund. The state bureau of accounting was unable to calculate the total interest which had accumulated over the years but the amount was \$47,911 for 1979 and \$54,273 for 1980. Officials said the \$764,670.90 would be a nice addition to the general fund, but it was a long way from solving New Jersey's fiscal problems.

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Amounts Deposited with the States in 1837

Alabama	\$ 669,086.79
Arkansas	286,751.49
Connecticut	764,670.60
Delaware	286,751.49
Georgia	1,051,422.09
Illinois	477,919.14
Indiana	860,254.44
Kentucky	1,433,757.39
Louisiana	477,919.14
Maine	955,838.25
Maryland	955,838.25
Massachusetts	1,338,173.58
Michigan	286,751.49
Mississippi	382,335.30
Missouri	382,335.30
New Hampshire	669,086.79
New Jersey	764,670.60
New York	4,014,520.71
North Carolina	1,433,757.39
Ohio	2,007,260.34
Pennsylvania	2,867,514.78
Rhode Island	382,335.30
South Carolina	1,051,422.09
Tennessee	1,433,757.39
Vermont	669,086.79
Virginia	2,198,427.99

'8894'

Vinegar 1840 \$1,000 Bank Notes Not Authentic Richard Giedroyc

THIS BANK NOTE LOOKS VINTAGE, BUT IS A vinegar-stained replica. This 1840 Bank of the United States \$1,000 bank note shows up in the darndest places.

It's the sort of note that makes paper money dealers and advanced collectors collectively shake their heads. There are just so many copies of it out there in the hands of non-collectors and beginners. Everyone seems to have the same story about his note being found in an old chest owned by the family for generations. Each of these notes has the same serial number "8894."

The notes encountered with this serial number are crisp and yellowed. They look nice and they look old to anyone who has never handled old paper. These are one of the most commonly encountered replicas in all of numismatics.

The one illustrated is less deceptive than many fakes. At least this replica is printed COPY, but many overlook such small printing in their wild daydreams of found riches.

These commonly misunderstood replicas are made through the same process as copies of the Declaration of Independence and the U.S. Constitution, which are sold as souvenirs.

In some manner, the paper is dipped in vinegar to ensure it will turn yellow and crisp. Somewhere along the line during the 1960s, somebody decided this must be what old paper looks like.

Any older paper note or book will give you a better idea what old paper looks like after aging and handling. It may stay white or turn shades of gray. It becomes limp with use. It doesn't turn yellow and crispy like a potato chip.

The Bank of the United States, which issued the real \$1,000 note (as well as a \$2,000 and \$5,000 denomination), was actually the Third Bank of the United States. The genuine notes were printed by Draper, Toppan, Longacre & Co. These are the highest denomination notes issued by the Bank. They represent a staggering amount of money for 1840. At that time, a team worker on the Erie Canal made about \$13.50 in wages for a six-day work week (\$702 per year). Denominations this high were typically used for bank and business transfers.

These Bank of the United States notes of 1840 were to be redeemed at a later date, but the bank failed before that time ("Post" notes such as this issue were posted to be redeemed at later dates). People holding these notes, who were investors in the bank, were stuck with this worthless paper. The bank's closing helped start a financial crisis across the country.

The Second Bank of the United States was one of the most influential financial institutions in the world between 1815 and 1832, when President Andrew Jackson and bank president Nicholas Biddle got into a controversy. Jackson vetoed a new charter for the bank and it closed in 1836.

The Bank of the United States issuing the \$1,000 notes of 1840 was chartered as a banking institution by Pennsylvania. The period following the closing of the sec-



ond bank is called the "Free Banking Era." It is a quarter century period in which local and state banks issued their own paper money, all without federal regulation. States, private banks, railroads, stores, and individuals issued their own notes. Some were genuine, others were from bogus banks that never existed, while yet others were counterfeits. A dollar issued by one bank might not be worth a dollar at another bank. This period ended in 1866.

The vignettes on the front of the note include the facade of the Third Bank of the United States at center. It was formerly the Second Bank building and later served until 1935 as the Philadelphia Customs House. To the left from top to bottom are vignettes of David Rittenhouse, William Penn and Thomas Paine. To the right from top to bottom are vignettes of Robert Fulton, Benjamin Franklin and Robert Morris.

When encountering such notes with serial number "8894" and the tall tales that go with them, just smile and pass on buying the notes. ♦

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I am planning to do a monograph on Ormsby.

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Recent Events and Future Possibilities

SPMC'S SECOND SYMPOSIUM ON PUBLISHING, held at the Memphis International Paper Money Show June 17, was well attended, and the audience was rewarded with some very good presentations. The emphasis this year was more on what and why rather than how. Thanks to presenters Tom Carson, Pierre Fricke, Gene Hessler, Arthur Friedberg, Fred Reed, Dennis Schafleutzel, and Wendell Wolka and to all the enthusiastic people who attended. Look for the publishing symposium to become an annual event, probably to be scheduled for the Friday afternoon of the Memphis show. Have an idea for 2006? Send it to me.

I have just returned from the second week of the American Numismatic Association's Summer Seminar of classes held on the campus of Colorado College, adjacent to ANA headquarters. This was my first trip in eight years, and I wonder why I waited so long. I took SPMC member Wendell

SPMC Librarian's Notes

By Bob Schreiner, Librarian

Wolka's introductory class in paper money, and I was privileged to teach a couple sections of the class. Wendell, best known for his works in U.S. obsolete paper money, is a great teacher, and he has developed some excellent presentation materials for the class. A highlight was an inside look at the ANA's Beebe collection of U.S. currency thanks to museum curator Douglas Mudd. No one returns from the Summer Seminar disappointed. It's a week of happy immersion in numismatics and rich collegiality with fellow collectors, famous and obscure. Treat yourself.

While at the Summer Seminar, I enjoyed becoming reacquainted with ANA librarian Nancy Green and meeting archivist Jane Colvard. They, like other ANA staff I have met, are very dedicated to helping members make the most of the resources of the ANA. I explored some possible publication projects with them, perhaps with joint SPMC/ANA sponsorship. The ANA library has a great collection including rare non-circulating source documents--now free of copyright--that would interest collectors and inform numismatic researchers. I'll let you know what develops.

When SPMC was seeking a new home for our library and having some difficulty identifying a taker, we considered donating it to ANA. I ended up with the job, but now I'm not sure that this was the best decision. If ANA would accept our library, all SPMC members--regardless of status as an ANA member--would gain borrowing privileges for the entire ANA library. The borrowing process and cost recovery that ANA uses are the same as ours. Several organizations have now donated their libraries, including IBNS. It's definitely worth another look. Let me know what you think about this.

The library catalog is on the SPMC web, spmc.org. I welcome your thoughts on library, web, and related areas. I can be reached at POB 2331, Chapel Hill, NC 27515-2331, or email to rcschreiner@mindspring.com. ♦

The Editor's Notebook

Fred L. Reed III



fred@spmc.org

Now tell us what you REALLY think

I just came back from the Memphis paper money show, and I couldn't be more stoked on the future of our hobby. Friends, paper money collecting's "good old" days begin today and lie in our future! And, I'm happy to report, SPMC members are leading the way.

For market watchers, all the "leading indicators" are up:

- *Paper Money Values* (see story elsewhere), edited by SPMC member Michele Orzano, will debut shortly after you receive this issue. This slick paper money magazine as much as anything indicates the growth potential of our hobby. When an astute publisher like Amos Press feels this hobby is ready for its own magazine and is willing to put bucks and reputation on the line to pull it off, I for one (as a columnist for *Bank Note Reporter*, *Paper Money* and *Coin World*) say "I salute your efforts."

- new book publishing interests represented by McFarland Publications and Whitman Publications are stepping up currency publications. The former, a respected reference book publisher, has already brought two excellent books by SPMC members to print (George Tremmel's definitive *Counterfeit Currency of the Confederate States of America*, and my own *Show Me the Money! The Standard Catalog of Motion Picture, Television, Stage and Advertising Prop Money*). Under the guidance of President Robert Franklin, Executive Vice President Rhonda Herman and Sales Manager Karl-Heinz Roseman, McFarland is poised to expand its influence and contributions to our hobby. Whitman, an oldline numismatic mainstay, has reemerged as a power player in our hobby, with significant paper money works such as *A Guide Book of United States Paper Money* (see related story elsewhere) and more planned. Under the leadership of SPMC member President Mary Counts, Publisher Dennis Tucker, Numismatic Director SPMC member Dave Bowers, and Director of New Business Development SPMC member Clifford Mishler, the future looks great.

- our own fabulously successful SPMC author's forum at the show (see separate story) which featured a robust group of publishing pros and Society members: Confederate currency author Pierre Fricke's book will be the most important CSA work in the last 90 years. Gene Hessler, the outstanding American paper money scholar of our generation. Wendell Wolka, author of our Wismer "Book of the Year" award, whose Ohio book sets a new standard in state paper money catalogs. Art Friedberg, who with brother Ira, own and are expanding the most successful and profitable paper money cataloging system. Electronic book visionaries, including our own SPMC Librarian Bob Schreiner, Dennis

Schafluetzel/Tom Carson who are pioneering new technological frontiers of information presentation. And yours truly, who was happy to be among such an illustrious group.

- monstrous and monumental auctions by traditional powerhouses such as R.M. Smythe, Lyn Knight and Heritage/CAA as well as others. At the Memphis auction I had to bid three times the generous catalog estimate of a thousand bucks to outbid a committed dealer on a rare obsolete for my collection. Remember, it's not just the notes that you need that are escalating in value, it's all those notes you have stashed away over the years.

- our SPMC 6000 "Re-building a great Society for a new century" (TM) program to improve member services, give members more bang for their buck, and grow membership. Look at the magazine in your hands. Membership Director Frank Clark reported at Memphis that for the first time in years, our Society is growing in numbers once again (see related story).

- reliable surveys indicate at least 30,000 serious paper money collectors exist today and their numbers are growing every day. If our Society attracted just 10% of that group our membership would nearly double to 3,000, which would mean even more benefits for ALL members.

- new security conscious currency designs by the U.S. and virtually EVERY country around the globe attract the public's attention to the new bills *as well as* the notes these attractive new bills are replacing. SPMC should unquestionably attract one-in-ten of these new paper money fans, too.

In recent months we've placed several of our attractive new recruiting brochures in the hands of EVERY member. Don't let them go to waste. Put them into the hands of friends, colleagues, neighbors, family members and encourage them to join you in SPMC. Better yet sign them up and give them a gift membership, something they'll really enjoy when the striped tie or sweater gets hung in the back of the closet. ❖



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Senior Numismatist
Ext. 390
Len@HeritageCurrency.com



Dustin Johnston
Senior Numismatist
Ext. 302
Dustin@HeritageCurrency.com



Mike Moczalla
Senior Numismatist
Ext. 481
MichaelM@HeritageCurrency.com



Allen Mincho
Senior Numismatist
Ext. 327
AllenM@HeritageCurrency.com



David Lisot
Senior Numismatist
Ext. 303
DavidL@HeritageCurrency.com



David Mayfield
Senior Numismatist
Ext. 277
DavidM@HeritageCurrency.com



Jim Fitzgerald
Senior Numismatist
Ext. 348
JimF@HeritageCurrency.com

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